

FINANCIAL TIMES

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D 8523 B

The breaking and remaking of Ma Bell, Page 12

Africa	Sc 15	Indonesia	Rs 1000	Philippines	Pes 20
Asia	Sc 15	Italy	Lira 1100	Portugal	Esc 200
Belgium	Bfr 35	Japan	Yen 150	S. Africa	Rand 100
Canada	Cdn 70	South Korea	Won 100	Singapore	S\$ 100
Denmark	Dkr 70	Spain	Ptas 100	Sweden	Skr 100
France	Ffr 50	Switzerland	Sfr 100	Taiwan	Nt\$ 100
Germany	DM 70	USA	Doll 100		
Greece	Dr 100				
India	Rs 100				
Iran	Rial 100				
Israel	Sheq 100				
Italy	Lira 1100				
Japan	Yen 150				
South Korea	Won 100				
Singapore	S\$ 100				
Spain	Ptas 100				
Sweden	Skr 100				
Switzerland	Sfr 100				
Taiwan	Nt\$ 100				
Turkey	Lira 100				
USA	Doll 100				
West Germany	DM 70				
Yugoslavia	Dinar 100				

NEWS SUMMARY

GENERAL

Thatcher visit angers Argentina workers

Argentine Foreign Minister Dr Juan Aguirre Lanari said UK Premier Margaret Thatcher's visit to the Falklands was a new act of provocation and arrogance.

He was speaking in Caracas on his way to Managua for a meeting of non-aligned countries. He has been planning a new diplomatic offensive against Britain over the Falklands issue.

Yesterday, the first full day of her surprise trip, Mrs Thatcher visited an RAF base and ships in Stanley Harbour, inspected an unexploded Argentine minefield, and with members of the islands' councils and attended evening at Stanley cathedral. Islanders gave her a warm welcome. Page 14

Israeli alert

Israeli forces and police were on a high alert after 33 Israelis were wounded in two days in South Lebanon and Tel Aviv by guerrillas. Tel Aviv police detained more than 100 suspects.

Violence subsided in Lebanese port of Tripoli as fighting factions agreed to withdraw their gunmen. Page 2

Salvador crisis

The conservative Government in El Salvador was in crisis yesterday as it faced continued defiance from right-wing extremists. Col Sigfrido Ochoa, who mutinied on Thursday. Page 2

Eanes deadline

Portugal's President Antonio Eanes has given the crumbling Democratic Alliance until Saturday to form a coalition government or resign. The caretaker administration of outgoing Premier Francisco Balsemão. Page 2

Kidnap victim freed

A dawn police raid at Croydon, south London, freed wine merchant Emmanuel Kuerber, 33. Kidnappers had him naked and blindfolded for five days with his wife of five months, Maria, 25, whom they released on Saturday in the hope of obtaining a ransom of £2m (\$3.2m). Four men have been arrested.

Bomb scare charge

Japanese police charged Hong Kong-born Canadian Kwok Wing Ming, 31, under anti-bomb laws, following an incident in which a Korean jet made an emergency landing at Tokyo because of a bomb scare.

Stone Age find

British archaeologists led by Professor R. Allchin have unearthed an open-air Stone Age workshop outside Islamabad, Pakistan, estimated to be 32,000 years old.

Woman crushed

Five women were crushed to death at Harare airport, and 64 people were injured when 5000 came to welcome Chinese Premier Zhao Ziyang to Zimbabwe.

Expensive chase

West German police detained at gunpoint a 34-year-old Moroccan after a 140 mph (90 mph) chase in which the car he was driving damaged eight police cars, one of them armoured-plated. He told them: "I'm Jesus Christ."

Briefly

Czech leader Gustav Husak, 70 today, has been named a Hero of the Soviet Union and awarded the Order of Lenin.

Belzut: The Vienna Symphony became the first top foreign orchestra for ten years to play in Lebanon.

Prince and Princess of Wales flew for a holiday at Klosters, Switzerland, leaving behind their baby Prince William.

More than 850 took part in the Peking swimming festival in freezing weather.

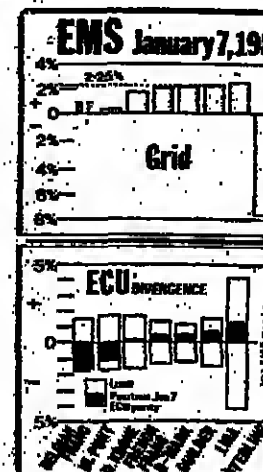
BUSINESS

Renault lays off 10,000 workers

RENAULT, the French state-owned car maker, is laying off more than 10,000 workers at its Flins plant outside Paris as a result of the strike by 100 paintshop workers, which is threatening government pay guidelines. Page 14

NIMBLE, international, the 3-D camera company which is transferring production from Scotland to Japan, has signed a manufacturing and marketing agreement with France's Sraisen, owned by the Norwegian Fred Olsen group, to ease its cash flow problems. Page 14

IRELAND's budget target is an £1750m (\$1.06bn) deficit, said Finance Minister Alan Dukes. This suggests he will have to find £1350m in extra tax and savings. Budget day is expected to be February 9.



THE BELGIAN franc was weak in the European Monetary System last week, falling outside its divergence limit, despite central bank support. On Friday alone the West German Bundesbank bought Bfr 55m. As the Belgian currency was fixed at its floor level against the D-Mark.

The strength of the D-Mark also caused problems for the French franc, which in Paris on Friday equaled its record low against the German currency. The Bank of France sold some DM 100m on Friday in an effort to stem the slide.

Part of the renewed pressure on the weaker members of the system was the result of the dollar's continued weakness. The lira remained the strongest member, followed by the Dutch guilder.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the nearest currency to the system, defines the cross rates from which no currency (except the lira) may move more than 24 per cent. The lower chart shows each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

IMPORTS took a record 57.7 per cent of the UK new car market in 1982. Page 5. Imported cars took almost 28 per cent of the U.S. market. Page 3

TEXTILES and clothes: UK imports exceeded exports by £933m (\$1.59m) in the first nine months of 1982. Page 3

MEXICO is beginning to attract new short-term inter-bank deposits, said its director-general of credit, Angel Guirria. Page 14

COMPANIES

THE OBSERVER's board meets today to consider the future of Britain's oldest Sunday newspaper, amid speculation that it is up for sale, with the rest of Lorch's Outram group. Page 5

DISTILLERS COMPANY, which has 40 per cent of the world market for Scotch, has increased its whisky export prices by 6 per cent. Page 3

ANDERSON STRATHCLYDE, the mining equipment company, is considering legal action against Ministers Lord Cockfield and Peter Rees for approving Charter Consolidated's takeover bid for the company. Page 18

Greece devalues drachma 15.5% and curbs imports

BY VICTOR WALKER IN ATHENS

Greece's Socialist Government last night announced a 15.5 per cent devaluation of the drachma, and said it would make use of emergency procedures provided in the EEC Treaty of Accession to restrict imports.

The twin measures were announced by Mr Gherassimos Arsenis, the National Economy Minister and Governor of the Bank of Greece. Mr Arsenis said the party of the dollar would be set today at Dr 84, against Dr 71 when the money markets closed on Friday night. The same 15.5 per cent devaluation would apply to all other currencies.

The drachma lost 18 per cent in value against the dollar during 1982, under a controlled float, and lesser percentages against other currencies. There had been speculation that last night's devaluation would be in the area of 25 per cent, nearer the target sought by industrialists facing declining demand abroad for Greek exports.

Mr Arsenis said the devaluation and import restrictions had been made necessary by a rapid increase in imports, reduced local production and rising unemployment, since Greece's EEC accession two years ago.

The Government, he said, intended to hold imports from all countries during 1983 at the levels in 1980, the year before accession. The duration of the restriction would depend on developments in the sectors of Greek exports worst hit by competition on international markets.



Economy Minister Arsenis

The final form and exact nature of the restrictions would be announced in a few days, he said, after the emergency procedures foreseen in Greece's Treaty of Accession had been put into effect. In the meantime, there would be administrative measures to control imports and prevent speculation.

Mr Arsenis said the Government had "the intention and the means" to support the new parties of the drachma, and its value would remain stable against the basket of currencies of Greece's trading partners.

The Minister said also that three bills to be introduced in parliament would set up a uniform state exports organisation, provide insurance for exports and export credits, and create a state standardisation and packaging organisation.

The Government believed, Mr Arsenis said, that with the measures there would be a substantial increase in agricultural incomes, in exports by bulk and value, and in industrial production and employment. It believed also there would be no significant impact on inflation.

The Greek inflation rate is currently running at about 22 per cent. The Government target is to get it below 20 per cent this year.

The devaluation had been urged not only by industrialists but also by the travel industry, faced by a fall-off in tourist revenue, especially since the recent devaluation of the Spanish currency. Spain is Greece's main competitor for tourists from European countries.

Greek shipping and shipyard operations will also be assisted by the devaluation.

But, as late as last Friday, the Government spokesman, Mr Dimitrios Maroudas, had condemned rumours of an impending devaluation.

EEC-U.S. bid for farm peace

BY JOHN WYLES IN BRUSSELS

TOP OFFICIALS from the European Commission and the Reagan Administration make their first attempt in Washington tomorrow to move from cease-fire to genuine peace in the abrasive transatlantic conflict over agricultural trade.

Both sides approach the talks with some optimism, but neither is very confident that the clash over the EEC's system of subsidising farm exports can be suppressed as a major irritant to their relationship over the coming months.

The aim is to make some progress by March towards a modus vivendi in Community-U.S. competition in world food markets. This might then enable the Reagan Administration to head off Congressional pressures for the deployment of export subsidies to help hard-pressed farmers whose net income is estimated to have fallen from \$2500 in 1981 to \$1900 last year.

Atmosphere and time could prove very important in determining progress in the two days of talks in Washington and in another round scheduled for the beginning of February in Brussels.

Initially, both sides will be trying to recapture the goodwill and confidence that marked the discussions here last month between the Commission and a U.S. team led by Mr George Shultz, the U.S. Secretary of State. The talks produced the vital agreement to begin this attempt to resolve the farm trade dispute.

The Commission delegation, led by its Director General for Agriculture, M. Claude Vilain, is ready to table tentative suggestions for a cooperative approach to marketing, particularly of key cereals and dairy products.

But before doing so, the Europeans will want to be convinced that the U.S. has abandoned its general assault on the Community's export subsidy system and will stop trying to lay at its door the blame for most of the ills of American farming.

As part of a more co-ordinated approach with Washington, the Commission is prepared to discuss a policy for stocking wheat to avoid oversupply and downward pressure on world prices.

The Commission will also stress the moves it is making towards aligning downward moves in domestic EEC cereal prices with U.S. prices. These, if successful, would ultimately remove the need for export subsidies. The Commission will point to its proposals for a 3 to 3.5 per cent rise in EEC cereal prices from April against the average 4.4 per cent proposed for all products covered by the Common Agricultural Policy.

Reagan in move to cut grain stock

By John Edwards and Nancy Dunne in Washington

PRESIDENT Ronald Reagan is expected to announce tomorrow approval of a major new farm programme aimed at cutting surplus grain stocks and rescuing the U.S. farm belt from its worst crisis since the 1930s.

The new payment-in-kind (PIK) programme would pay farmers for not planting a percentage of their land with government-subsidised crops. The scheme could conceivably reduce by 50 per cent land planted with wheat, maize, cotton and rice.

The Administration failed to get Congressional authorisation for the PIK plan during last month's session, but Department of Agriculture lawyers have decided that it can be implemented in any case and hope to get Congressional approval later on.

U.S. farmers failed last year to respond to voluntary acreage reduction schemes and as a result record surplus have accumulated, depressing prices.

Under the new programme farmers will be given far greater incentives to cut production. They will be paid cash for the first 20 per cent reduction in land planted, as well as being compensated with surplus crops for up to an additional 30 per cent left fallow.

Continued on Page 14
Editorial comment, Page 12; Reagan's trial by Yurt, Page 13

Bush aims to unite allies on arms

By Anatole Kaletsky in Washington

PRESIDENT Ronald Reagan is sending Vice-President George Bush to Western Europe in an effort to unify the Nato allies more firmly around existing arms control strategy and to counteract the recent propaganda gains made by the initiative of Mr Yuri Andropov, the Soviet leader.

Mr Bush's tour planned for later this month could, however, lead to some modification of the U.S. bargaining position on nuclear arms, according to Administration officials in Washington.

There is no indication that the trip is a preparation for an Andropov-Reagan summit and officials stressed that Mr Bush's talks will be with the allies. He will not be involved directly in the arms control talks which are due to resume next month in Geneva.

The Bush tour is not supposed to indicate any substantive softening in the U.S. attitude to the Soviet Union, according to U.S. sources. President Reagan himself stressed this on Saturday when he announced Mr Bush's trip. "Clearly, the Soviets want to appear more responsive and reasonable," he said. "But moderate words are convincing only when they are matched by moderate behaviour."

Mr Reagan is, however, more determined than ever to prove that he is negotiating in good faith and is genuinely anxious to produce a breakthrough at both the sets of nuclear arms talks - on strategic and on intermediate range weapons - in Geneva.

In making the announcement of the Bush visit before a national U.S. radio audience, the President warned the Kremlin leadership against using arms control proposals as a tool to divide the U.S. from its Nato partners.

The announcement came as leading Western countries were commencing by the Warsaw Pact in the most favourable tones yet given to any of the overtures by the Soviet leadership of Mr Yuri Andropov.

President Reagan said that these overtures and the latest moves by the Russians at the arms control talks in Geneva meant there was "a serious foundation for progress."

After the Soviet proposals to cut intermediate nuclear missiles to the combined level of existing British and French forces and after last week's call for a

Banks outline ECU clearing system plan

BY JOHN WYLES IN BRUSSELS

COMMERCIAL BANKS operating in Europe will be invited shortly to launch an association dedicated to creating a multilateral clearing system for the European Currency Unit, a development considered likely to encourage much greater private use of the ECU.

The ECU - a "basket" currency based on the currencies participating in the European Monetary System but also including sterling - has become an increasingly popular vehicle for both private bank deposits and Eurobond issues over the past year.

According to a recent estimate by Kredietbank, Belgium's third largest bank, the ECU deposit market has grown to ECU 3bn (\$2.94bn) from ECU 400-500m in mid-1980.

ECU-denominated bond issues, meanwhile, have leapt from ECU 100m in 1981 to almost ECU 2bn last year.

This growth is said to be stimulating an increased awareness among banks of the need for a clearing system which is both multilateral and supranational. Prodded by the European Commission, six banks set up a working group a year ago to investigate the feasibility of such a system and to recommend a model.

The six banks are Lloyds, Credit Lyonnais, Istituto Bancario San Paolo de Torino, Kredietbank, Morgan Guaranty and the European Investment Bank.

According to Mr Andre Swings, a general manager at Kredietbank, the group has now largely completed its work. Through national banking federations, it planned to invite all interested banks to a meeting in Brussels before the end of the month, launch the Association of ECU Clearing Banks and give the group a mandate to launch the clearing system.

The most ambitious aspect of the group's plan is to involve the Basle-based Bank for International Settlements as a supranational institution capable of strengthening the credibility of a supranational currency. Mr Swings said yesterday that the BIS would be asked to maintain an ECU account for settlements between members of the clearing association.

If the BIS proves reluctant to get involved, then the organisers will consider approaching an EEC central bank or employing one of the existing multilateral clearing systems - Euroclear, which handles bonds, or the Luxembourg-based Cedel.

Advocates of the new clearing institution claim that it would substantially reduce the costs of handling ECUs by removing the need to break the currency down into its constituent currencies for bank clearing purposes. The proposed new system would be fully computerised.

Significantly, the working group has rejected the European Monetary Co-operation Fund, the EMS Continued on Page 14
Currencies, Page 17

Ontario to control 3 trust companies

BY NICHOLAS HIRST IN TORONTO

THE ONTARIO Government has taken control of three trust companies with assets totalling C\$2bn (\$1.51bn) to protect the interests of the companies' depositors.

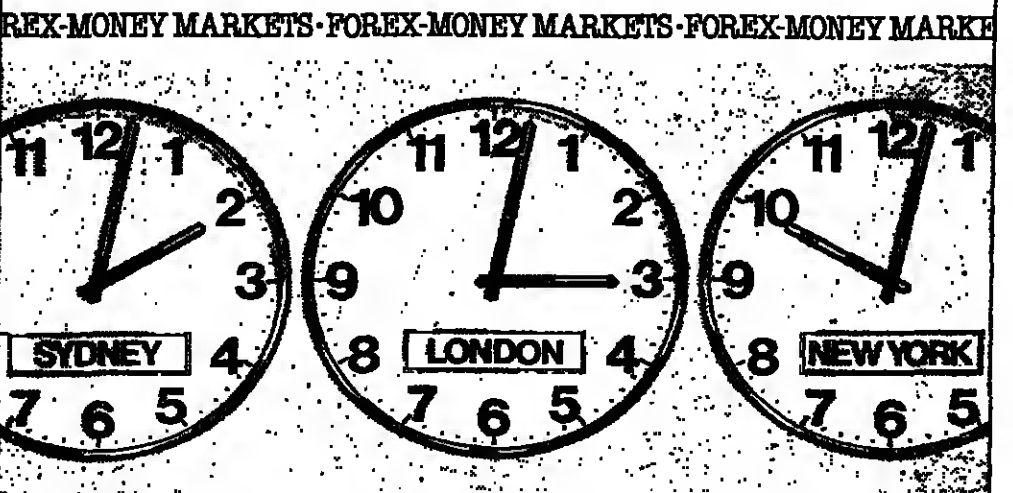
The action, taken under emergency legislation rushed through the provincial parliament at the end of last year, follows growing concern about an alleged serious conflict of interest between the companies' owners and depositors.

The three companies are Crown Trust, the country's 12th largest trust company, and Greymac Trust and Seaway Trust, two smaller ones. Canadian trust companies are deposit takers which supply the bulk of the country's residential mortgages.

At the centre of the concern is a series of transactions involving 11,000 apartments formerly owned by Cadillac Fairview, the Toronto-based property company controlled by Charles and Edgar Bronfman, two members of the family that controls Seagram, the world's largest distiller.

Cadillac Fairview sold the apartments to Greymac Credit, the parent company of Greymac Trust. It is alleged that Greymac Credit sold the properties at inflated prices, with the three trust companies helping to finance the transactions. It is feared that the true value of the properties may be less than the value of the mortgages.

Details, Page 16



Another day, another dollar

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OVERSEAS NEWS

MUTINY COULD DAMAGE WASHINGTON LINKS IF SUCCESSFUL

Salvador army revolt continues

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT, IN LONDON

THE right-wing Salvadorean Government of President Alvaro Magaña was in crisis yesterday as it faced continued defiance from Col. Sigfrido Ochoa, the extreme right-wing field commander who mutinied on Thursday.

The mutiny, if ultimately successful, could have profound effects on Washington's relations with El Salvador.

Col Ochoa, commander of the Government forces battling the left-wing insurgents in the northern department of Cabañas, last week refused an order from General Guillermo García, the powerful Defence Minister, to resign his command and go to Montevideo as defence attaché at the Salvadorean embassy in Uruguay.

Col Ochoa, who is calling for the resignation of Gen García, has claimed the support of many fellow officers, including Col Juan Rafael Bustillo, the air force commander. Officers in the U.S.-trained Atlatal battalion have confirmed their support for Col Ochoa, whose 900 troops are based at Sensuntepeque.

Col Ochoa, according to some estimates, can count on the support of 4,000 troops - more than one in ten of the Salvadorean security forces. The Sensuntepeque mutiny comes after several months in which the U.S. Government has been pressing the Magaña administration to get rid of extremist officers responsible for atrocities against the civilian population, and to close down the Treasury Police, a force in which Col Ochoa served for

six years, and which has a notorious reputation.

Washington has also been trying to isolate politically Major Roberto d'Aubuisson, leader of the extreme right ARENA party, speaker of the Constitutional Assembly and a close associate of Col Ochoa.

The U.S. pressure has managed to recent months to oust a dozen extremist officers and to weaken Major d'Aubuisson's political position. It has not, however, succeeded in getting the Treasury Police disbanded.

The U.S. State Department is fearful that unless extremists are weeded out of political life and the security forces, U.S. public opinion will block any further aid to the Magaña Government and thereby

strengthen the hand of the left-wing insurgents.

Later this month, President Reagan has to certify to Congress in Washington that the human rights situation is improving in El Salvador if aid to the country is to continue. If Major d'Aubuisson and Col Ochoa were to increase their influence in El Salvador, such a certification could not be given, or would lead to a credibility problem for Mr Reagan if it were given.

During the mutiny, Mr Deane Hinton, the U.S. Ambassador in San Salvador, has been in constant touch with President Magaña, Gen García, and other Government leaders. He is also believed to have warned Col Ochoa that he could expect little sympathy from Washington if he were to seize power.

U.S. bank criticises monetarist 'excesses'

By William Hall in London

UK AND U.S. economic policy is at an impasse. Neither the Government of Mrs Margaret Thatcher nor that of President Ronald Reagan has developed a convincing strategy to tackle unemployment without rekindling inflationary fears, says Morgan Guaranty in its latest edition of World Financial Markets.

Tight monetary policies in Britain and the U.S. have contributed to sharp currency appreciation in real terms. Appreciation has lowered inflation but weakened external competitiveness and cut into output. Thus, in "solving one problem, restrictive monetary policy has created another," Morgan Guaranty argued in a major evaluation of Mrs Thatcher's monetarist experiment and its implications for the Reagan Administration.

Monetary restraint played the "leading role" in bringing down inflation sharply in both countries last year, but "money supply performance can no longer be the exclusive test of monetary policy."

The world recession has proved unexpectedly severe and prolonged, with only a mild recovery in prospect for 1983 or perhaps even 1984. There is little doubt that even moderate economic recovery requires a lower level of real interest rates than yet prevails.

Morgan Guaranty's influential newsletter says that while adjustments of the world's industrial economies to soaring inflation and the second oil shock was bound to be painful, this deflationary process has suffered from several policy excesses.

"Fiscal overkill is as dangerous to economic health, as is imprudent tax-cutting and profligate government spending that leads to high real interest rates." Correcting these policy excesses is the main task for 1983, in order to avoid further economic decline, to contain protectionism and to stabilise the international debt situation the newsletter says. Even with a better balance of policies industrial countries still face subdued economic growth and very high unemployment for some time to come, it adds.

Morgan Guaranty, which has traditionally been the closest of American banks to the UK Government, says that after three and a half years of Mrs Thatcher's Administration, inflation has been greatly reduced and labour productivity has increased remarkably. "But the cost in terms of unemployment has been high and the economy's long-term recovery prospects remain in doubt."

It notes that the narrowing of the Public Sector Borrowing Requirement has been a "major force deepening and prolonging the recession and it is by no means certain that it has brought or will bring a better fiscal climate for business investment."

UK Government policy has also produced a sharp increase in the tax burden. In 1981, taxes absorbed 39 per cent of GDP against 34 per cent the year before. However, the bank says that Mrs Thatcher's "privatisation" initiatives are an imaginative, even radical approach to the public sector that in future could pay considerable efficiency dividends.

Aside from these policy mistakes, the UK economy has also suffered from the impact of North Sea oil, which has been a "major factor undermining the competitiveness of British industry."

The real exchange rate has been "crippling for many British firms." Even after the recent fall in sterling, the currency entered 1983 with its real effective exchange rate more than 20 per cent above its 1975-79 average.

Weak recovery forecast for UK, Page 6

Deadline for Portugal coalition as economic chaos looms

BY DIANA SMITH IN LISBON

PRESIDENT Antonio Ramalho Eanes has given Portugal's crumbling Democratic Alliance (AD) until January 15 to piece together a coalition government to replace the caretaker administration of Sr Francisco Pinto Balsemão.

Sr Balsemão resigned three weeks ago under pressure from his Social Democratic Party after local elections shrunk the AD's majority. Alliance leaders are expected to meet early this week to discuss the crisis.

Prospects of a strong AD government are slim. After first refusals by several prominent Social Democrats to try to bind together a quiescent collection of Social Democrats, Christian Democrats and Monarchists, a relatively unknown Social Democrat, Sr Victor Crespo,

some time Minister of Education, has been struggling for weeks to patch together a government that could be presented to President Eanes as one with sufficient authority to

steer Portugal away from the brink of economic chaos.

Sr Crespo has been unable to persuade a Social Democrat or Christian Democrat of substance to accept the crucial Finance Ministry. This gap is thwarting President Eanes' desire to formally nominate a premier.

The financial situation is so serious that for the moment possibilities of a snap general election have been discarded.

Sr Balsemão resigned before Parliament could process the 1983 budget and the budget of a caretaker government cannot be voted through Parliament.

So, Ministers are scraping by on piecemeal funds, in a country of 400,000 state employees and a weighty public industrial sector dependent on a number of ministries for financing and planning.

Portugal ended 1982 with a balance of payments deficit of \$3bn (£1.8bn) the worst in its history. This reflected a perilous decline in emigrants' remittances and tourism revenue which in the past have helped to offset a chronic trade deficit.

State borrowing is a vital component of deficit financing and the present administrative stagnation is putting heavy strains on the Bank of Portugal's reserves.

Meanwhile, it is understood that in December the outgoing government made a discreet approach to the International Monetary Fund (IMF) in search of help for 1983. It is understood that once the IMF has dealt with vast Latin American problems, Portugal will be in line for assistance.

The foreign debt excluding very short-term borrowing was about \$12bn at the end of 1982, equivalent to more than 50 per cent of gross domestic product. It is estimated that inclusion of very short-term borrowing of less than six months would bring the total debt to about \$15bn.

Australian investment slides further as markets contract

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WITH THE Australian recession deepening, there are signs of further falls in new fixed capital investment as business battens down the hatches to face falling export and home demand.

Estimated new fixed capital investment spending for the six months to December, 1982 was \$50.26bn (\$9.39bn), according to the Bureau of Statistics, but this is expected to fall to around \$48.13bn in the six months to June 1983, a reduction of 13.3 per cent.

In the three months to December 1982, there was a slight rise in fixed capital spending, compared with the preceding quarter, but this is partially attributed to "last-gasp" initiatives on the part of manufacturers, and to the fact that numerous committed projects had reached their investment phase.

Fixed capital spending in Australia achieved record growth in recent years, as the country geared up for a resources boom that never quite materialised. But with little likelihood of economic recovery in 1983,

and with business confidence abysmally low, capital investment is likely to be reined back sharply.

According to estimates by the Bureau, investment in manufacturing industry is likely to drop from \$22.33bn in the six months to December 1982 to \$21.81bn in the six months to June 1983. Over the same period, new mining investment is likely to fall from \$2.25bn to \$1.87bn.

However, mid-range forecasts by the investment community still point to a resource-based investment bonanza for Australia over the rest of the 1980s, with total investment in resource-related projects expected to exceed \$450bn between now and 1990. The estimate includes infrastructure projects, such as power stations and oil and gas pipelines, but is primarily weighted towards the North West Shelf oil and gas project.

In dollars-of-the-day, the North West Shelf project is likely to cost in excess of \$511bn. The main participants are Woodside Petroleum, Shell Australia, Broken Hill Proprietary, BP Australia, and California Atlantic Oil Company.

Domestically, the main problems confronting the Liberal-National Party coalition government of Prime Minister Malcolm Fraser include low or no growth, an expected inflation rate for 1983 of 9 to 10 per cent, high unemployment, an anticipated current account deficit of approximately \$3.5bn, and a budget deficit of approximately \$4.5bn.

A six-month wages freeze is now in place, but the unions are threatening rebellion, and some state premiers are decidedly unhappy.

This week, Mr John Cain, the Labour Party premier in Victoria, accused the federal government of "hypocrisy" in permitting a 5.5 per cent rise in domestic air fares while pursuing a wages freeze.

The first week of the new year, said the federal opposition, had seen higher air fares, higher petrol costs, and the imposition of a 7.5 per cent sales tax on a new range of goods.

Factions in Tripoli 'agree to pull back'

BY OUR BEIRUT AND DAMASCUS CORRESPONDENTS

WARNING FRACTIONS in the northern city of Tripoli yesterday agreed to pull their gunmen from the streets in order to allowgendarmes from Lebanon's Internal Security Force to take up positions along the battle zones.

Violence subsided although sporadic gunfire and sniping continued as units of the ISF prepared to enter Tripoli.

In Damascus, meanwhile, Syria endorsed the Beirut government's proposal to send Lebanese security forces, backed with some army troops, to enforce security in Tripoli once a ceasefire took effect.

This followed a three-hour meeting on Saturday between Mr Chafik al Wazzan, the Lebanese Prime Minister, and Syria's President Hafez Assad.

Local factions opposed to the presence of Syrian troops around Tripoli have been battling with Syrian-backed groups for a month. At least 180 people were killed and many more wounded in the past week in fierce clashes that included heavy shelling.

In Damascus, an authoritative Syrian source said: "It has been agreed during the meeting that Lebanese state security forces exercise their duties in consolidating security in Tripoli, in co-operation with the 'Supreme Co-ordination Committee.' And President Assad has assured Wazzan that Syria is ready to offer all possible assistance to the Lebanese state forces, including the interference of the Syrian-composed Arab Detachment



President Hafez al Assad

forces, in case such interference is needed."

The two sides also discussed the Lebanese-Israeli talks, and the developments concerning the Israeli withdrawal from Lebanon.

In Lebanon, Mr Rashid Karami, a former Lebanese Prime Minister who lives in Tripoli, was quoted as telling the North Lebanon police commander that the various factions had agreed to evacuate their positions in Bab Tebbaneh and Baal Mohsen as well as neighbouring areas to facilitate the deployment of the ISF.

Mr Hisham al Shahr, Lebanon's police chief, emphasised yesterday that his security men would venture into Tripoli only if a truce was fully observed and if the gunmen left.

UK and Arabs narrow breach over PLO

By David Tonge in London

HOPES OF patching up Britain's problems with Arab nations over its policy towards the Palestine Liberation Organisation (PLO) rose slightly yesterday following what the British Foreign Office called "useful discussions" on Saturday in Rabat.

In a report from Rabat, the Kuwait news agency said a compromise had been worked out whereby an Arab League mission would visit London in February.

Mr Mohamed Benicetta, the Moroccan Foreign Minister, is understood to have given Mr John Gorton, the British Ambassador, the first formal reply to the British proposals of mid-December on how the PLO might be received in London as part of an Arab League delegation. These proposals were couched in broad terms, in marked contrast to the precise conditions Britain had previously set.

In mid-November Mrs Margaret Thatcher, the UK Prime Minister, insisted that, for British ministers to receive the PLO, the countries forming the delegation - Algeria, Jordan, Morocco, Saudi Arabia, Syria and Tunisia - subscribe to a declaration condemning terrorism and committing the PLO to move towards conditional recognition of Israel.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$28.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.



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The answers are contained in a series of exclusive articles which begin in the FT today. Can you afford to miss them?

No FT...no comment.

Foreign share of U.S. car market rises again

BY RICHARD LAMBERT IN NEW YORK

IMPORTERS sold 2.2m cars in the U.S. in 1982, compared with sales of 5.7m by the U.S. manufacturers. In 1978, the peak sales year, importers sold 2m units compared with 8.3m by the domestic producers.

These numbers explain why car imports remain a major political issue in the U.S. Last month, the House of Representatives passed a bill requiring foreign car makers to use American-made parts in all their exports to the U.S., and although that had no chance of being turned into law, protectionist sentiment remains intense.

The overall volume of imports in 1982 fell a little further from the peak of 2.4m units two years earlier, but their share of a declining market edged higher to almost 28 per cent. The Japanese share of overall U.S. sales also rose a shade to about 25 per cent, and their share of the market for small cars approached 50 per cent.

The Japanese dominance in this sector posed increasing problems for the competition. Among foreign manufacturers, Fiat suffered a steep decline in U.S. sales over the period.

In Detroit, one of the year's big stories was General Motors' decision to go into partnership with Japan. With its Chevrolet sales dropping like a stone, GM set up an import arrangement with Isuzu, and an announcement is expected soon of plans for joint production of a Toyota-designed small car in California.

Toyota has been complaining that its U.S. business has been cramped by Japan's voluntary quota on auto exports to the U.S. This is due to expire in March, and there is still no

	12 months 1982	12 months 1981
Toyota	530,246	576,491
Datsun	470,246	444,805
Honda	365,865	370,705
Mazda	163,150	166,088
Subaru	150,335	152,062
Chrysler	102,227	110,940
Volvo	71,568	64,183
VW	67,348	62,068
Mercedes	62,484	59,016
Porsche-Audi	60,361	62,058
BMW	52,393	41,761
Renault	37,540	30,869
Saab	18,179	14,505
Isuzu	15,462	17,805
Fiat	14,113	22,185
Peugeot	14,044	16,725
Jaguar	10,347	4,495
Mitsubishi	3,950	—
Total U.S. car imports	2,212,714	2,319,548
Domestic production sales	5,764,638	4,205,856

agreement about what might take its place. The Japanese are anxious not to have their hands tied at a time when the market could be on the point of recovery. But U.S. manufacturers point out that the quota set at 1.8m vehicles—has allowed the Japanese a much larger share of the market than could have been envisaged when it was set early in 1981.

Among individual importers, Toyota has remained the market leader with 530,000 cars sold in the year of which the Corolla accounted for 175,000. However, Nissan-Datsun has moved up closer in second place, and its hot-selling Sentra—introduced in May—achieved sales

of 15,000 in the month of December.

Japan's share of total car imports into the U.S. climbed a fraction to over 28 per cent in the first 11 months of the year. West Germany held steady in second place with just under 11 per cent, with a disappointing performance by Volkswagen being offset by gains at the top end of the market from Mercedes, Porsche, Audi, and BMW. The other import success stories were also the higher price ranges—Volvo, Saab and perhaps most impressive of all, Jaguar, which succeeded in pushing up its U.S. sales by well over 100 per cent.

SHIPPING REPORT

Shipbuilding faces 'imminent' price war

BY ANDREW FISHER

WHAT ARE the world's hard-pressed shipowners doing as they enter another year with little prospect of an upturn in freight rates? A number of things, according to Fearnleys, a leading Norwegian shipbroking firm, none of them cheerful.

Like most of the industry, the Oslo brokers see 1983 prospects as gloomy. After a 4 per cent drop in 1981, the volume of world seaborne trade fell a further 8.5 per cent last year, it calculated.

Measured in ton-miles, including not just volume but also the distance cargoes are carried, trade was down by as much as 10.5 per cent in 1982 after a gentler 4.5 per cent drop the previous year.

Thus, said Fearnleys: "Owners find themselves busy renegotiating loans with their bankers, postponing deliveries of new buildings, arranging lay-up or selling off their fleet, not to mention scrapping as the ultimate solution."

As the crisis has spilled over to shipbuilding, companies in this industry are intensively chasing new orders, and following the intense competition a price war is imminent with yards undercutting each other."

Fearnleys estimated in its last monthly review of the year that the world merchant fleet

dropped by about 1 per cent in 1982, with the tanker fleet down from 320m deadweight tons to 301m and the bulk carrier fleet up from 254.5m dwt to 167m.

As the backlog of orders placed in more optimistic times eased over the year—deliveries totalled some 26m dwt—the outstanding order book was reduced from 56m dwt to 40.5m dwt, Fearnleys said.

Scrapping figures have shown a big increase over 1981 and Fearnleys' estimate for 1982 totals 28.5m dwt sold for scrap, mostly tankers, against 14.3m dwt in 1981.

● The luxury cruising market, on which Fearnleys keeps an eye, also has its share of problems.

Its latest major study of the industry, in which five ships worth \$700m are on order, shows that the 1983 volume of world cruise passengers was some 4 per cent down on 1981—the first decline in 17 years of increasing demand for cruises. Fearnleys reckoned that unused capacity in the international cruise fleet, 83 ships totalling 1.6m gross tons, was over 20 per cent. This year should see a return to the 1981 passenger volume or slightly better, but over-capacity will still be high.

Sharp rise in UK textiles imports

By Anthony Moreton, Textiles Correspondent

BRITAIN'S BALANCE of trade in textiles and garments continued to deteriorate sharply. In the first nine months of last year imports exceeded exports by \$993m, compared with \$373m in 1980. Comparisons with 1981 continue to be complicated by the after-effects of a civil service dispute during that year which disrupted compilation of the trade returns.

Some 1981 figures are beginning to emerge especially for imports, and these offer a little hope because they appear to show that the rate of increase of goods entering Britain is slowing down. In the third quarter of last year, there was even a small fall of 4 per cent in the value of imports, compared with 1981.

The volume statistics show, if anything, an even more dispiriting picture. Britain imported 636,000 tonnes of textiles and clothes in the first nine months of 1980 and exported 561,000 tonnes. Last year, while imports had risen relatively slowly to 681,000 tonnes, exports collapsed to 408,000 tonnes, leaving a trade imbalance of 273,000 tonnes.

The British Textile Confederation commented that this movement was due to the devastating effect of an overvalued exchange rate. "Throughout 1982 sterling has been overvalued relative to currencies other than the U.S. dollar and this has continued to encourage imports and depress exports."

The BTC also found that consumer expenditure was relatively buoyant in the nine months and that in the third quarter of last year there appeared to have been renewed running down of stocks. Imports continue to account for about two-thirds (by weight) of final sales, a level they reached a year earlier.

Imports from the Mediterranean countries continue to be the major problem, according to the BTC. While a voluntary restraint agreement has been reached with Portugal, Turkey has become "the major unresolved Mediterranean problem country."

The industry is now particularly worried about Turkish trousers, women's shirts, towels and bed linen in addition to knitted shirts and cotton fabrics, two sectors in which there has been a long-standing grievance.

The confederation complains that "with all the Mediterranean countries' restraints fall short of the full double control system applying to Multi-Fibre Arrangement countries."

Although strict monitoring of licensing and of import levels takes place, over-licensing still occurs in certain countries.

Portuguese household textiles and trousers from Spain and Malta are the main areas of dispute at present."

Textile on clothing imports in the first nine months of 1982: British Textile Confederation; £25 to non-members.

Norwegians win £17.6m Heimdal gas field order

By Fay Gjerstad in Oslo

NORWEGIAN companies have won orders worth a total of about Nkr 200m (£17.6m) to build two of six major items of equipment for the Heimdal gas field, despite the fact that their bids were higher than those submitted by foreign companies.

Mr. Vidkun Hveding, Norway's Oil Minister, said he is satisfied with the decision, which he claims was taken not because of government pressure but because the oil companies involved took quality, as well as price, into consideration.

Orders for the other four items—two process modules, a drilling module, and a crane foundation—have gone to companies in Holland and France. Total value of these contracts is also about Nkr 200m.

The Norwegian iron and steel workers' union, which wanted to see all the orders going to Norwegian fabricators, is disappointed. It asked the government to pressure the oil companies involved to place these orders in Norway, but the government refused.

Meanwhile, the EEC Commission has asked the Norwegian Government to justify its intervention over an earlier Heimdal contract, concerning a platform deck frame. In this case, the nine companies developing the field had intended giving the contract to the lowest bidder, a German yard. A Norwegian yard got the order after the government stepped in and offered to put up Nkr 55m (£2.2m) of the Nkr 55m price difference, and asked the oil companies to make up the rest.

UK ELECTRICAL ACCESSORY EXPORTS

Row with Saudis threatens orders

BY CHRISTIAN TYLER

BRITISH manufacturers of electrical accessories are afraid that the latest diplomatic row between the UK and Saudi Arabia, one of their biggest export markets, could cost them millions of pounds.

Their main worry is that a 10-year campaign to persuade Saudi Arabia formally to adopt British standards for electrical connectors—plugs, sockets and switches—is in jeopardy. If the campaign fails, it would mean the long-term loss of very substantial orders.

Bad political relations could also, they say, affect annual sales at present worth £30m to Saudi Arabia—over 20 per cent of total export business. Plans by a leading UK manufacturer to set up a factory in the country's Eastern Province have been put in doubt.

The last diplomatic incident, in 1980, caused by the television screening of a semi-documentary film "Death of a Princess," caused an appreciable drop in sales, according to one company

visiting to the area, the Bureau had been ready to subscribe entirely to British standards, but decided to take the U.S. standard for its 110-volt system, leaving open the question which standard it would adopt for 220-volt circuits.

Despite strong competition from French, Italian and West German suppliers, the well-entrenched British believe the Bureau is on the point of adopting UK standards for the higher voltage. A formal decision has been expected for some months, although the regulations and standards are not due to be published until next year.

It is not clear if the market can sustain an 8 per cent price rise and there has been some industry speculation that DCL's price rise will spark off a round of discounting by other companies anxious to shift volume at DCL's expense.

DCL was pessimistic about the immediate future for the world whisky market when it announced its latest results in December. Although overseas competitiveness has improved with the weakening of sterling, export promotion costs have been pushed up.

More important, it was believed to have affected a decision of the Saudi Bureau of Standards as to which electrical system to adopt.

According to one regular business visitor to the area, the Bureau had been ready to subscribe entirely to British standards, but decided to take the U.S. standard for its 110-volt system, leaving open the question which standard it would adopt for 220-volt circuits.

Leaders of the industry are believed to be lobbying MPs in an effort to explain the commercial consequences of the present diplomatic rupture. One company executive said he viewed the incident as much more serious than it was publicly portrayed to be.

The present row follows a dispute in Whitehall about how Britain should treat a request by Morocco that a representative of the Palestine Liberation Organisation be included in an Arab League delegation to Britain.

Mr Francis Pym, the Foreign

Secretary, has had to postpone a planned trip to the Gulf after Qatar and the United Arab Emirates joined Saudi Arabia in refusing to receive him.

Another company director said last night: "We are very vulnerable to Mrs Thatcher's policy. It could cost the UK manufacturers millions of pounds of business—and hundreds of millions in the long term."

Hungary to boost video imports

Hungary is likely to import up to 2,000 videotape recorders next year to satisfy growing domestic demand, Mr Janos Salogay, general manager of Ofolet, the state marketing company, said yesterday. AP reports from Budapest.

More than 1,000 names are on a waiting list for video recorders, but so far video equipment has been available only occasionally and in small numbers in special state stores, he added.

Distillers boost whisky export prices 8%

BY GARETH GRIFFITHS

THE DISTILLERS' Company (DCL) has increased export prices for its whisky by 8 per cent in a move likely to act as a benchmark for the rest of the industry. DCL accounts for 40 per cent of the world's Scotch whisky market.

The increases are in two stages. Prices in markets excluding the European Community, the UK and North America went up on January 1. Prices in the EEC, apart from the UK, will rise on February 1.

No dates have been announced for rises in the UK and the U.S. Both markets are relatively weak. In the U.S. there are three month notice require-

ments for price rises in many states. DCL in common with other whisky companies, will be looking for a UK rise in line with increased costs.

It is not clear if the market can sustain an 8 per cent price rise and there has been some industry speculation that DCL's price rise will spark off a round of discounting by other companies anxious to shift volume at DCL's expense.

DCL was pessimistic about the immediate future for the world whisky market when it announced its latest results in December. Although overseas competitiveness has improved with the weakening of sterling, export promotion costs have been pushed up.

The price rises mean that the net cost of a case of standard blended whisky to a DCL distributor overseas goes up from £15 to £16.20.

Highland Distillers has also announced an 8 per cent increase in export prices, and Arthur Bell is to do the same on February 1. The rest of the industry is expected to announce similar rises in the next couple of weeks but increased discounting could mean that turnover will not go up by the same amount.

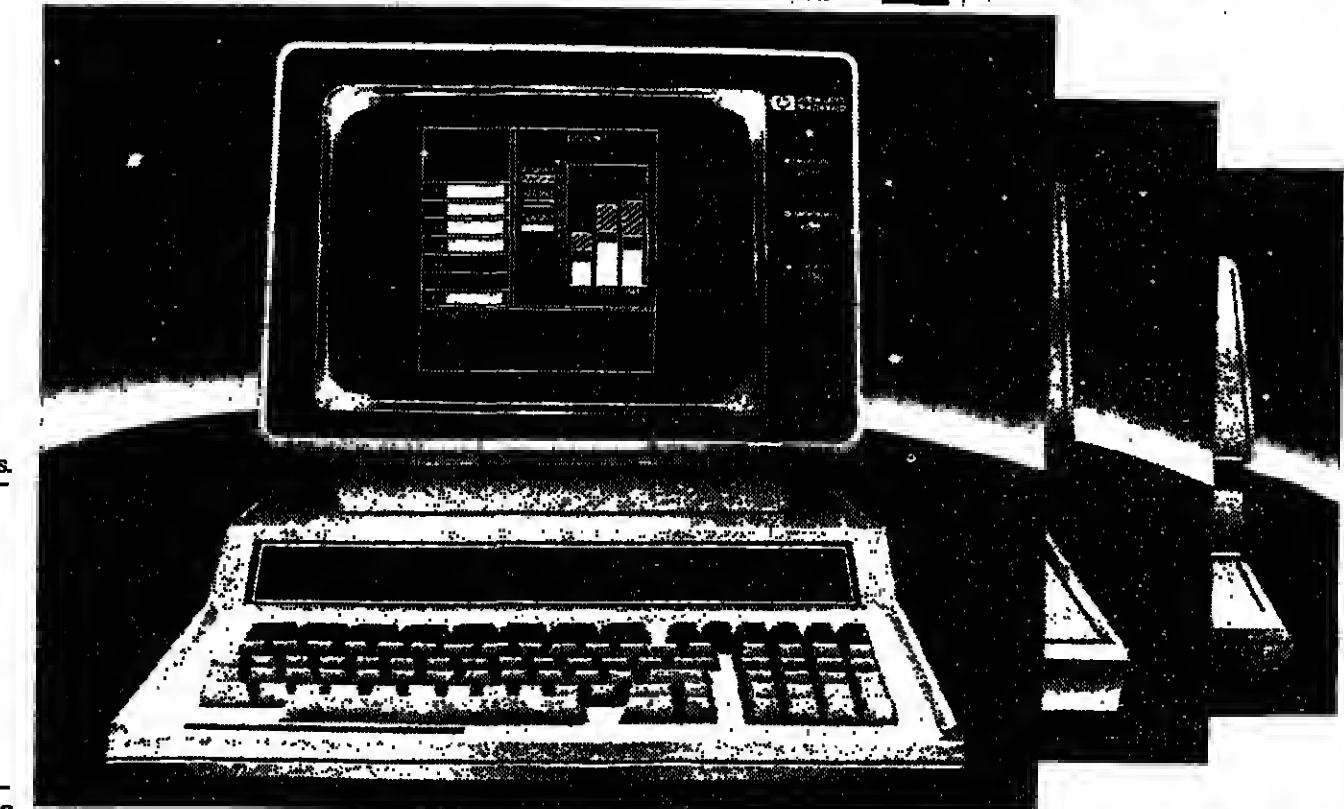
Tentative signs of a bottoming out of the recession in whisky exports were provided on Thursday by the Scotch Whisky Association's publi-

cation of export figures for the first 11 months of 1982.

Whisky exports last year appear to have recovered to the same level as 1980, with exports for January to November 1982 standing at 228,554,379 litres of pure alcohol, worth some £786.8m. This suggests that the UK exported around £500m worth of Scotch last year.

However, much of that increase over 1981 stems from a rise in the export of cheaper bulk blended whisky which accounts for about 24 per cent of the total. Companies do not expect the price rises to stimulate a sudden surge in exports as was the case in previous years.

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HEWLETT PACKARD

World Economic Indicators

	Oct. '82	Sept. '82	Aug. '82	Oct. '81
U.S.	9,400	8,630	9,850	10,411
UK	10,973	10,920	10,903	12,799
Italy	12,959	14,172	14,772	17,291
Japan	19,071	20,285	20,568	24,775
W. Germany	37,410	35,994	36,094	40,166
Belgium	3,271	3,371	2,972	3,352
Netherlands	7,588	6,991	6,977	7,581
France	11,036	11,966	12,315	19,649

Source: IMF

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STATISTICAL TRENDS: SPAIN

Public sector deficit increases rapidly

THE RECENT OECD estimate for real growth in Spanish GDP in 1982 indicated an increase of approximately 1.25 per cent which compares favourably with a negative forecast for the OECD as a whole, and with the 0.4 per cent increase for Spain in 1981.

The General Government Account shows the rapidly increasing public sector deficit, which for 1982 is expected to run at Pta 1,000bn or almost 5 per cent of gross domestic product.

Private investment is expected to be boosted by lower interest rates. Inflation rates have been on a downward trend since the summer, reaching a peak in June this year of 16.1 per cent, but down to 13.9 per cent in

September. It was expected to rise to the 15 per cent to 16 per cent level by the end of last year.

Domestic demand remains depressed with retail sales volume in June down 6 per cent on the previous year. New car registrations and indicators of housing construction were up slightly for the first half of 1982 on 1981.

Unemployment in Spain is high compared to other countries. In October, 2,134,000 people were without jobs, representing 16.4 per cent of the labour force.

The deteriorating terms of trade, expanding money supply, high unemployment and increasing debt caused a depreciation in the peseta from a high of Pta 96.25 to the U.S. dollar at the beginning of 1982.

Spain's energy requirement plan is highlighted by decreasing oil dependence in the next few years and increased coal production. Output of coal rose from 22.7m tonnes in 1979 to 34.8m tonnes in 1981 and was expected to total 38m tonnes last year. Net energy imports are projected to fall from 66.4 per cent in 1981 to 58.5 per cent in 1982 and 55.6 per cent in 1983.

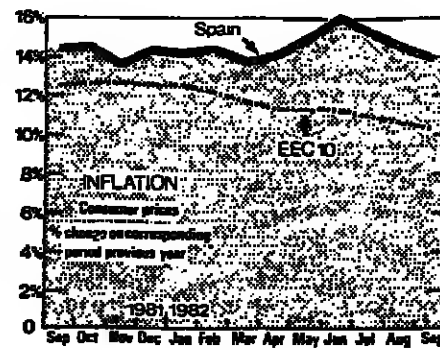
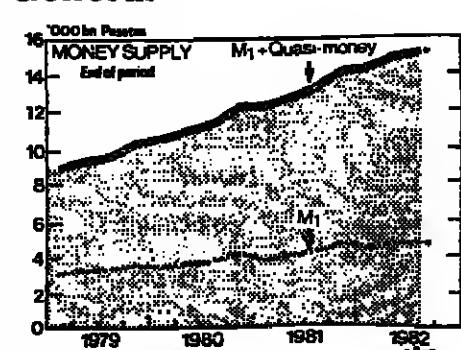
GROSS DOMESTIC PRODUCT 1981

European comparisons in U.S.\$

Country	Total (bns)	Per capita
Spain	116.2	4,925
Austria	44.8	8,750
Belgium	70.7	9,725
Denmark	42.6	11,200
France	399.2	10,550
Germany	498.9	11,100
Greece	25.6	3,775
Ireland	18.2	4,850
Italy	231.5	6,100
Netherlands	97.4	9,775
Portugal	19.3	2,400
Switzerland	60.0	14,750
UK	245.3	8,875

* At 1975 prices and exchange rates. † At current prices and exchange rates. Source: OECD

General



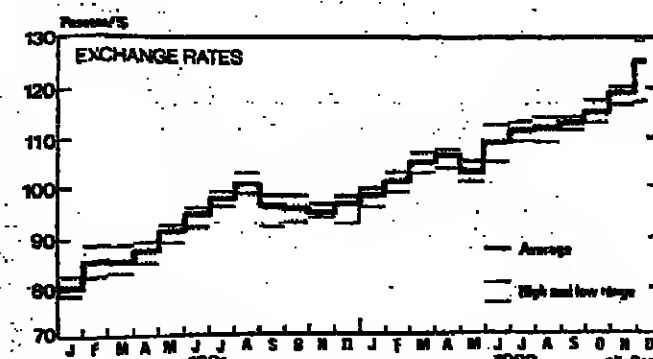
RETAIL SALES (Department stores)

Volume 1975=100, seasonally adj.

1978	95
1979	89
1980	92
1981	91
1982	94

Source: OECD

Finance



INTEREST RATES

Commercial Bank lending rates to Prime Borrowers, end of month

	Spain	U.S.
October	16.81	18.00
November	17.04	15.75
December	16.34	15.75
January 1982	16.24	16.50
February	15.75	16.50
March	15.75	16.50
April	16.91	16.50
May	16.64	16.50
June	16.96	16.50
July	19.50	15.50
August	17.82	13.50
September	16.04	13.00

Source: World Financial Markets

RESERVES

U.S.\$m end of period

	For. res.	Gold
October 1981	10,537	617
November 1981	10,195	4,353
December 1981	10,079	4,353
January 1982	9,571	4,221
February	8,779	4,221
March	8,769	4,090
April	8,425	3,900
May	8,245	3,666
June	8,508	3,444
July	8,500	3,444
August	8,400	n.a.
September	7,200	n.a.
October	7,200	n.a.
November	11,900	n.a.

Source: IFS and other

EXTERNAL DEBT

U.S.\$m end of period

	Public	Private	Total
1976	4,949	5,286	10,235
1977	6,790	4,169	12,959
1978	6,961	7,766	14,727
1979	7,510	9,111	16,621
1980	9,117	11,842	20,958
1981	18,911	14,098	25,009
1982 June	15,300	27,200	42,500

Source: Bank of Spain

Government

GENERAL GOVERNMENT ACCOUNT

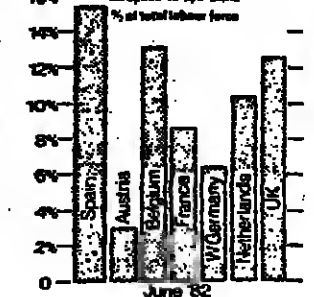
	1978	1979	1980	1981
Current rev.	3,040.4	3,690.0	4,319.3	5,111.7
Capital rev.	44.4	76.2	90.1	99.8
Current exp.	2,935.3	3,563.9	4,330.9	5,210.4
Capital exp.	378.0	420.9	557.0	693.3
Deficit	-206.5	-218.6	-478.5	-692.2

(% of GDP) (-1.8) (-1.7) (-3.2) (-4.0)

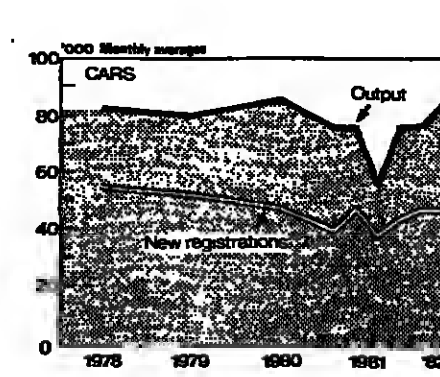
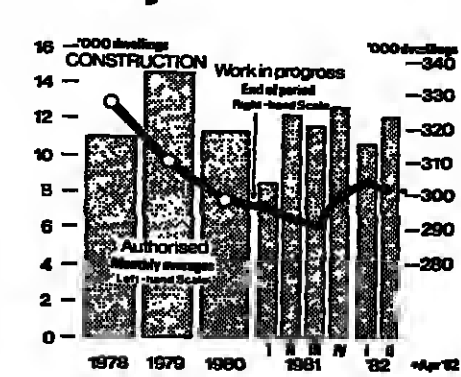
Source: National Statistics Institute & Ministry of Finance

Labour

UNEMPLOYMENT



Industry



Trade

TRADE IN IRON AND STEEL PRODUCTS

	Imports	Exports	Balance of exports
1971	1,158	1,184	+26
1972	1,528	1,853	+325
1973	1,441	2,204	+763
1974	1,606	1,048	-558
1975	2,347	2,054	-293
1976	3,290	3,234	-56
1977	4,151	3,519	-632
1978	1,013	5,454	+4,441
1979	1,380	5,547	+4,167
1980	1,682	5,927	+4,245
1981	1,488	4,535	+3,047

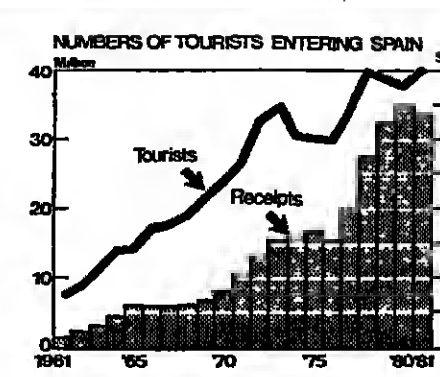
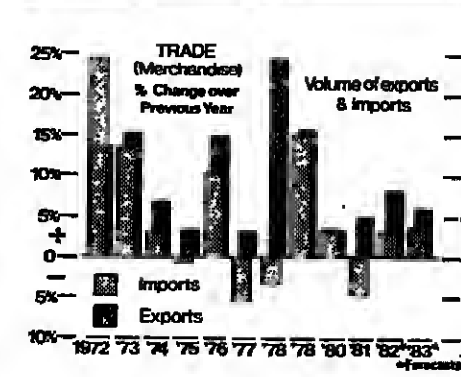
Source: UNESID

TRADE

bn pesetas

	Exports	Imports	Trade bal.	Current bal.	Net cap. move.
1980	1,492.8	2,450.4	-957.6	-413.6	+302.3
1981	368.7	447.4	-78.7	-177.0	+114.3
1982	470.7	786.9	-316.2	-192.9	+172.0
1983	490.5	693.3	-202.8	-11.9	+112.0
1984	558.4	842.7	-284.4	-147.6	+45.7
1985	1,888.8	2,970.0	-1,081.2	-529.3	+444.6
1986	546.3	800.4	-254.1	-161.9	+58.5
1987	514.8	868.5	-353.7	-168.1	+118.9
1988	220.7	292.1	-71.4	-6.7	+17.4
1989	n.a.	n.a.	n.a.	+16.8	-2.4

Source: OECD



TOURIST RECEIPTS

(excl. international fare payments)

	In nat. currency	% change on prev. yr.
Current terms		
81-80	+23.8	
80-79	+14.4	
Real terms		
81-80	+7.5	
80-79	-8.1	
In U.S.\$		
81-80	+8.7	
80-79	+5.8	

Source: OECD

Energy

Primary energy requirements (mtoe's)

	1979	1980	1981*	1982†	1990†
Solid fuels	12.5	15.3	17.0	21.1	24.3
Oil	47.5	49.9	46.8	42.9	48.2
Gas	1.4	1.4	1.9	4.7	4.5
Nuclear	1.4	1.2	2.3	9.2	14.8
Hydro and geothermal	11.2	12.2	5.3	9.1	11.5
Net electricity adjustment	-0.1	-0.1	-0.1	n.a.	n.a.
Total	74.3	75.1	73.2	87.0	104.5

mtoe—million tonnes oil equivalent.
* Provisional estimate. † Forecast. ‡ Includes non energy uses, excludes marine energy bunkers. Source: IEA

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
CASE NO. 3-81-0011-LKNOTICE OF VOTING PROCEDURE ON
PLAN OF REORGANIZATION

In re:
ITEL CORPORATION, Debtor,
a Delaware corporation.

TO PARTIES IN INTEREST:

PLEASE TAKE NOTICE that ITEL Corporation has received Court approval of a Disclosure Statement relating to its "Plan of Reorganization."

A ballot and a copy of the Disclosure Statement have been sent to all holders of Eurobonds who filed proofs of claim. For those holders of Eurobonds who did not file proofs of claim, a ballot and a copy of the Disclosure Statement may be obtained from the following agent banks, depositories and ITEL Corporation's Information Agent. The principal agent bank, as well as successor indenture trustee for the Eurobonds is

J. Henry Schroder Bank & Trust Company
Attn: George Sievers, First Vice President
One State Street
New York, NY 10015
U.S.A.
Telephone: (212) 269-6500

Other agent banks include:

Chemical Bank
180 Strand or 85, Avenue Marceau or Avenue des Arts, 46
London WC2R 1ET 75116 Paris 1040 Brussels
ENGLAND FRANCE BELGIUM

Banque Generale de Luxembourg S.A.
27, Avenue Montigny and 14, Rue Aldringen
P.O. Box 1906
LUXEMBOURG

Swiss Bank Corporation
1 Aeschenvorstadt
CH-4002 Basel
SWITZERLAND

Amsterdam-Rotterdam Bank N.V.

Herengracht 595
P.O. Box 1220
Amsterdam
THE NETHERLANDS

In addition, holders of Eurobonds whose securities are in the custody of Euroclear Operations Center P.L.C. ("Euroclear") or Cedel S.A. ("Cedel") may arrange to obtain a ballot and Disclosure Statement and cast ballots through Euroclear or Cedel at the following addresses:

Euroclear Operations Center P.L.C.
c/o Morgan Guaranty Trust
Avenue des Arts, 35
1040 Brussels
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Cedel S.A.
67 Bd Gr D Charlotte
P.O. Box 1006
LUXEMBOURG

Eurobond holders also may obtain ballots and Disclosure Statements from ITEL Corporation's Information Agent at either of the addresses shown below:

Morrow & Co.
30 Gardner Close
London E11, ENGLAND
Telephone Collect: 01-989-3397

Morrow & Co.
345 Hudson Street
New York, NY 10014
Telephone Collect: (212) 255-7400

All Eurobond holders who wish to vote on the Plan must return a completed ballot to one of the agent banks or depositories identified above so that ballots may be received by ITEL Corporation in San Francisco by February 15, 1983, and deposit their Eurobonds with such institution, along with their ballots. Each agent bank or depository will review the ballots it receives and certify to ITEL Corporation that the amount of Eurobonds delivered to it is correctly stated on each ballot. Eurobonds delivered in connection with voting on the Plan will be held by the agent bank or depository until February 16, 1983.

1501-1502

Observer board meets on future of newspaper

By John Moore and Peter Bruce

THE BOARD of The Observer, Britain's oldest Sunday newspaper, is meeting today to discuss the paper's future. Directors are meeting amid speculation that Mr Roland 'Tiny' Rowland, the entrepreneur and chief executive of the paper's owners, is intending to put the paper up for sale.

It was suggested at the weekend that Mr Rowland, who runs the international trading conglomerate Loro, intended putting Loro's entire newspaper activities up for sale in order to raise cash for the rest of the Loro empire. "If we can get the right price," he is reported as saying, "and I hope we can, our papers will be sold as a package. That would include The Observer."

Mr Rowland was in more cautious mood yesterday. "I have no idea," he said when asked whether he would sell The Observer. "I have absolutely nothing to say at the moment."

Apart from The Observer, the Loro newspaper interests include the Glasgow Herald and Sunday Standard, both published in Scotland.

At the Observer, staff were distressed to hear of the possible plans, which came just 18 months after Loro took over The Observer in a deal with Atlantic Richfield, the U.S. energy group that still retains a 20 per cent stake in George Outram, Loro's newspaper publishing subsidiary.

Mr Robert Low, who leads the National Union of Journalists branch at the Observer, said yesterday: "We have been very happy with the ownership so far and we would be upset if Loro pulled out now."

Today's board meeting has been

scheduled for some time, and has not been called especially to discuss the Loro proposals. But it is thought that unless Mr Rowland personally attends the meeting - he is deputy chairman of The Observer - to discuss fully his intentions, there may be a move to adjourn the meeting by the independent directors.

Mr Robert Maxwell, chairman of British Printing and Communication Corporation, the printers, confirmed yesterday that he had been in recent talks with Mr Rowland, but only over the possibility of his company carrying out the printing of The Observer for Loro.

He said he was not interested in buying The Observer, but only in printing it on a contract basis. Mr Maxwell's business interests already have a relationship with Loro through a shareholding in the Observer's colour magazine.

Mr Maxwell said: "I am interested in setting up printing capacity jointly with newspaper proprietors on a contract basis." He said he was not interested in acquiring a major Fleet Street newspaper title.

Mr Robert O. Anderson, chairman of Atlantic Richfield and chairman of The Observer board, is expected to attend today's meeting. Five independent directors, elected to the board of The Observer in accordance with the requirements of the Secretary of State for Trade, an arrangement agreed when Loro took over The Observer, are also expected to be present.

When Loro took over The Observer the paper was making losses of £5m a year, one of the largest in Fleet Street. The Sunday Standard launched by Loro two years ago is believed to be making large losses.



Sir Peter Parker: to discuss report

Rail chief to meet minister

By Hazel Duffy

MR DAVID HOWELL, Transport Secretary, and Sir Peter Parker, the British Rail chairman, are expected to meet today or tomorrow for the first time since the controversial report of the Serpell Committee into the future of the railways was delivered to them just before Christmas.

Mr Howell returned yesterday from a week-long export promotion visit to the Far East. He will probably sanction the publication of the report as soon as possible, certainly in time for Members of Parliament to have copies when, or shortly after, they return to the House of Commons on January 15.

The Serpell report - named after the chairman of the advisory committee, Sir David Serpell - will be published in full, together with a minority report by Mr Alfred Goldstein.

Ministers have already let it be known that they are irritated by the widespread discussions aroused in advance of the report's publication. The Serpell Committee was set up to review the future of BR largely as the result of pressure from Sir Peter Parker, but the reports have not been generally to the liking of BR.

Mr Howell will be anxious to ensure that some of the pointers to a more efficient railway contained in the report will not be sacrificed to a general debate on whether or not there should be cuts in the size of the network.

Mr Serpell, who resigned with the knowledge of the lobby that exists in the Government. But he has made it clear that he believes BR could be more efficient. He will want to emphasise this point in the debate which can be expected in the Commons.

Mr Albert Booth, Opposition spokesman on transport, has already fired his opening salvo, saying that the Government must ignore the more extreme options contained in the report.

There have been suggestions that the report might be shelved by the Government, which would not want to take unpopular decisions about the railways before a general election. But Mr Howell's own officials seem unhappy with several aspects of BR which are highlighted in the report.

TOTAL BRITISH SALES IMPROVE TO OVER 1.5M

Car imports reach record 57%

By Kenneth Gooding, Motor Industry Correspondent

IMPORTS took a record 57.7 per cent of the UK new car market in 1982.

The previous peak was 56.7 per cent in 1980, although there have been individual months when the import total went higher. In August 1981, the highest yet, imports accounted for 63.14 per cent of all car registrations.

According to Society of Motor Manufacturers and Traders' statistics published at the weekend, new car sales in Britain last year were 4.7 per cent ahead of those for 1981 at 1,555,027.

This performance was bettered on only two previous occasions, by 1.61m in 1976 and the record 1.73m in 1979.

Ford swept the board again last year. For the sixth year in succession the U.S.-owned group had undisputed car market leadership. It sold more commercial vehicles than any other group in Britain, made the UK's best-selling car (the Escort, which has followed the Cortina into the top spot) and the best-selling commercial vehicle (the Transit van). The group also maintained leadership in agricultural tractor sales.

However, Ford was also the major importer again. Of all Ford cars sold in 1982, some 48.5 per cent were assembled in its Continental European plants, up from 44.28 per cent the previous year.

Ford imports accounted for 14.79 per cent of new car sales last year, against 13.69 per cent in 1981. That was well ahead of Datsun and Volkswagen-Audi, each with around 8 per cent of the market, and total Japanese penetration of 11 per cent.

Mr Sam Toy, Ford of Britain's chairman, has said his company hopes to build in the UK more of the cars it will sell in the country this year. "For the first six months, for example, we envisage taking less than 24 per cent of Sierras for

UK CAR REGISTRATIONS									
	December		12-months ended December			December		12-months ended December	
	1982	%	1981	%		1982	%	1981	%
Total UK produced	28,498	44.32	27,206	48.29	Total imports	657,471	42.26	658,091	44.32
Total imports	35,800	55.68	28,133	51.71		897,556	57.72	826,622	55.68
Total market	64,298	100	55,339	100	Ford*	1,555,027	100	1,494,713	100
Ford*	22,774	34.49	18,390	32.64		474,192	30.49	459,365	30.94
BL*	10,592	17.1	11,914	21.51	General Motors (Vauxhall-Opel)*	277,260	17.83	285,071	19.2
General Motors (Vauxhall-Opel)*	9,232	14.29	6,395	11.33	Peugeot Group:	191,737	11.59	127,141	8.56
Peugeot Group:	2,203	3.42	1,853	3.28	Talbot*	56,149	3.61	68,048	4.58
Talbot*	914	1.42	1,217	2.16	Citroen	24,149	1.55	27,396	1.85
Citroen	741	1.15	682	1.15	Peugeot	19,636	1.26	17,806	1.19
Peugeot	3,858	5.99	3,722	6.59	Datsun	99,934	5.97	113,248	7.62
Datsun	2,593	3.72	2,160	3.82	VAG (VW-Audi)	93,213	5.99	88,209	5.94
VAG (VW-Audi)	3,007	4.68	2,292	4.05	Renault	92,435	5.94	90,221	5.40
Renault	2,393	3.72	2,584	4.53	Volvo	64,147	4.13	72,041	4.85
Volvo	2,058	3.2	2,290	3.71	Fiat Auto	51,797	3.33	44,558	3.00
Fiat Auto	1,970	3.06	1,814	2.95		48,808	3.14	61,577	4.17

* Includes cars from companies' European Continental associates which are not included in the total UK figure.

* Includes imports from all sources including cars from European Continental associates of UK companies.

Sources: Society of Motor Manufacturers and Traders

sale in Britain from abroad, compared with nearly 54 per cent of Cortinas (the car Sierra replaced) for the first half of 1982.

Another factor in the importers' success last year was the relative weakness of BL, the only wholly-British company. BL's market share fell from 19.2 to 17.83 per cent and even its volume declined, from 285,000 to 277,260.

Ford maintained its market share at above 30 per cent and pushed up volume sales from 459,300 to 474,200. It beat this performance only in the peak-demand year of 1979, with 485,500.

The major success in 1982 was General Motors Vauxhall-Opel franchise with a market share improvement from 8.56 to 11.59 per cent. This is the group's highest market penetration since 1969. Its volume sales, at 181,461, were 12 per cent above the previous best year, 1972.

GM's "J" car, sold in Britain as the Vauxhall Cavalier, played a significant part in the change in the group's fortunes. Its sales jumped from 33,800 in 1981 to over 100,000 last year, taking it from seventh to fifth place in the table of best-sellers.

The 1982 top-selling cars were: 1. Ford Escort (186,942 sold); 2. Ford Cortina (135,745); 3. Austin Metro (114,550); 4. Ford Fiesta (110,165); 5. Vauxhall Cavalier (100,081); 6. Vauxhall Astra (98,412); 7. Triumph Acclaim (82,189); 8. Volvo 300 series (30,412); 9. Datsun Sunny (28,767); 10. Ford Granada (28,590).

Overseas sales of Jaguar cars last year were nearly 56 per cent higher than in 1981 and exceeded the most optimistic forecasts of BL's luxury car division.

Sales abroad were 15,300, compared with 9,874 in 1981. Of these, 10,340 were in the U.S., which has

far overtaken the UK as Jaguar's prime market.

Jaguar sold just 4,700 cars in the U.S. in 1981. Earlier this year it forecast that sales might reach 9,000. As late as November, it was thought that the total might approach 10,000, worth £150m.

UK sales reached 8,445, 14 per cent up on 1981.

The company hopes 1983 will mark the turning point for Jaguar on the European Continent, particularly in West Germany where it intends to tackle its major rivals, Mercedes and BMW, in their home market.

Only about 1,000 Jaguars a year have been sold in West Germany out of a total of 60,000 luxury cars. The company expects to double that in 1983. It believes, that it should be possible by the end of the 1980s to command 10 per cent of the West German luxury car sector - representing 5,000 to 8,000 cars a year.

Left-wing Labour candidate reselected

By John Hunt

MR PETER TATCHELL, whose extreme left-wing views have caused bitter controversy in the Labour Party, was overwhelmingly reselected last night as the parliamentary Labour candidate in the forthcoming by-election in Bermondsey, South-East London.

The decision by the local party means that an internal battle will take place in the constituency, which will be damaging to the Labour Party nationally in the run-up to the general election.

Mr John O'Grady, a moderate who is a former Labour leader of Southwark council, immediately confirmed that he will fight the by-election as an independent Labour candidate opposing Mr Tatchem.

Mr O'Grady will have the support of Mr Bob Mellish, the former Labour chief whip, who was Member of Parliament for the constituency for many years but resigned the seat in protest at the activities of the far Left.

The choice of Mr Tatchem, who is 30 and Australian-born, is an embarrassment for Mr Michael Foot, the Labour leader. When Mr Tatchem was originally selected a year ago, Mr Foot said that he was not an endorsed candidate of the party.

The original selection was overruled by the party's national executive committee (NEC) but it seems likely that the NEC's organisation committee, which meets today, will approve his candidature.

The party's difficulties are compounded by fresh quarrels over the activities of the Trotskyist Militant Tendency. At today's meeting moderates will protest at a report from Mr Jim Mortimer, general secretary of the party, which they believe will let Militant "off the hook."

Mineworkers to end joint pit reviews

By John Lloyd, Labour Editor

THE National Union of Mineworkers (NUM) has given formal notice to the National Coal Board (NCB) that it will withdraw from all local consultative procedures, including the joint colliery reviews under which pit closures are managed.

The NUM's decision follows an ultimatum to the board that the union would withdraw unless confidential documents on the industry's finances, prepared for the Monopolies and Mergers Commission, were made available to it by January 1.

The board will not release the documents. Mr Norman Siddall, the NCB chairman, wrote to Mr Arthur Scargill, the NUM president, last month asking him not to withdraw from the review procedures. But Mr Siddall refused to hand over the documents. He asked Mr Scargill to resume talks with the board on the industry's problems as soon as possible.

The effect of the union's withdrawal will be to deprive the board of any means of agreeing closures with the union local level. Now, all closures will at least have the potential of becoming national level disputes between union and board. The implications is that any closure strongly resisted locally and which can win the support of the area, will form the core of a national dispute.

It also means that Mr Scargill has attained his objective of replacing the network of joint consultative forums in the mining industry with direct collective bargaining. Mr Scargill has consistently poured scorn on systems of industrial relations which bring unions close to management to discuss industry problems.

However, the scrapping of the system will not automatically lead to more industrial action.

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UK NEWS

£2bn tax relief plan in Howe budget options

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RAISING of all income tax allowances and thresholds by 10 per cent is one of the favoured options being prepared by Treasury officials for the March budget.

This course seems likely to be chosen in preference to concentrating the whole of the budget "give-away" on help to industry.

The total amount of the tax reductions is expected to be about £2bn or a little more, although Sir Geoffrey Howe, the Chancellor of the Exchequer, will not start to take decisions until after he has seen the Treasury's next economic forecast.

In its autumn statement and forecast the Treasury suggested that the Chancellor would have about £1bn available for tax cuts, but that was based on very tight assumptions about the Government's borrowing requirement next year.

Some relaxation of the borrowing requirement, together with the inclusion of the "feedback" effect of tax cuts in stimulating the economy, could enable the Chancellor to announce £2bn of tax cuts without a

major detour from his financial strategy.

All the indications are, however, that Sir Geoffrey will disappoint those in his own party who would like the budget to be something of a pre-election bonanza.

He has provisionally rejected the idea of a cut in the basic rate of income tax, because although this would undoubtedly be popular with his supporters, a 1p reduction in the basic rate would cost about £1bn in a full year.

Instead, he is likely to go for a more "cost effective" plan to raise allowances and thresholds by more than the rate of inflation. The figures now being discussed in the Treasury are a 4 per cent increase in the allowances, in addition to the 6 per cent needed to compensate for inflation.

Fully indexing income and capital gains taxes by 6 per cent would cost about £1.5bn in a full year. Raising all the allowances and thresholds by a further 4 per cent would cost an extra £800m. The 6 per cent indexing is already in-

cluded in the Treasury's assumptions.

Much the largest cost (and benefit) would be from the raising of personal income tax allowances which would provide about 87 per cent of the relief. By contrast, the cost of indexing higher rate tax thresholds accounts for only 5 per cent of the total indexing cost.

If Sir Geoffrey limits income tax relief to a 10 per cent increase in thresholds and allowances, he should still have some money left over to help industry or to reduce the burden of indirect taxes.

● Peter Bruce adds: The Government will come under pressure this week to cut personal taxes in this year's budget during talks the Institute of Directors (IOD) plans to hold with Sir Geoffrey and Mr Patrick Jenkin, Industry Secretary.

A delegation led by Mr Walter Goldsmith, IOD director general, is due to meet Mr Jenkin tomorrow morning and will hold talks with the Chancellor on Thursday.

ICI fabric gets silk weavers in a spin

By Anthony Moreton, Textiles Correspondent

A textile row which has all the makings of the confrontation between David and Goliath has started between the tiny Silk Association of Great Britain and ICI Fibres.

There is one major difference, though, between the Biblical battle which laid low the giant and the present dispute. David is not sure if he is going to win and Goliath has not even been told there is a battle on.

The dispute stems from the introduction nearly two years ago of Mitrelle, a polyester (man-made) yarn which ICI Fibres suggested was comparable to "some of the finest, silk-like fabrics to be found." The company has now followed this up with double-page full-colour advertisements in four glossy magazines drawing attention to the affinity between Mitrelle and silk.

"Ah," said the Silk Association, which represents some 12 weavers operating throughout the UK, "some of these advertisements imply that silk is inferior to Mitrelle." Then it became annoyed and refused to say what it would do to defend the image of silk. "It is not in the interest of the Silk Association to announce the actions which are being taken to protect silk," it said.

Truth will out, of course, and it emerged that the Silk Association was reporting ICI to trading standards officers around the country to let them judge whether an offence had been committed.

"The trouble is," according to Mr L. Rheinberg, chairman of the association, "it is difficult to understand the wording of the Trading Standards Act." Not that any of this daunts David. A year ago the Silk Association took on Harvey Nichols, the London store, over an advertisement comparing polyester to silk, and won.

But as nobody has officially told ICI Fibres in Harrogate the company is not sure what it is doing about the matter.

UK's fuel surplus increases

By Our Energy Editor

THE UK'S surplus of fuel is growing. Latest government figures show that the country's production of energy is exceeding demand by about 26 per cent.

This confirms the UK as the only major industrialised country with a positive energy balance.

During the three months September-November UK energy consumption fell to the equivalent of 75.8m tonnes of coal, 5 per cent less than in the corresponding period of 1981. In contrast, domestic production of fuels rose to the equivalent of 95.5m tonnes of coal, 1.3 per cent up on the September-November quarter of 1981.

North Sea oil and gas production accounted for much of this rise.

Recovery 'to fizzle out by end of 1984'

BY JEREMY STONE

A WEAK and short-lived recovery is predicted for the UK economy by stockbrokers Capel-Cure Myers in its 1983-1984 forecast, published today. Hopes for a major upturn will be disappointed, it says, and by the end of 1984 recovery will have fizzled out.

In the short term, Capel-Cure sees room for consumer spending to go on growing as inflation falls steeply, giving a lift to real consumer incomes. Since it also assumes that the Chancellor will angle his last pre-election budget at the personal sector - cutting taxes by £1.5bn to £2bn - consumer spending is forecast to rise by 2 per cent in 1983.

Propelled by the falling exchange rate, inflation is forecast to take off again after reaching a low of 4 per cent in May this year, and by 1984 prices are again seen as rising faster than earnings. As a result, consumer spending would begin to fade. Stock-building would reinforce this pattern, giving a useful boost to the UK economy in the second half of 1983, but falling away thereafter.

Even with rising demand, unemployment is forecast to continue rising all throughout the period, much of the additional consumption being met from imports. Calculated on the new basis, unemployment reaches 3.2m by the end of next year.

The international background is assumed to be rather more favourable in 1983 than it was last year. The U.S. economy, crucially, is assumed to grow by about 2 per cent this year. For that to happen, the U.S. authorities are expected to lead world interest rates downwards, helping to induce a modest expansion of world trade.

The downward trend in world interest rates eventually would allow appreciable cuts in UK - Capel-Cure forecasts clearing bank base rates of 8 per cent for the end of 1983. But sterling would remain under continual pressure: by the end of 1984 its effective exchange rate would be down to 78 on the Bank of England's trade-weighted index, a decline of about 5.5 per cent from its present value.

The major bright spot in Capel-Cure's forecast is a spurt in company profits. Increases in volume and better trading margins, together with a lower exchange rate - which is flattering to overseas earnings - should combine to boost pre-tax profits by about 16 per cent this year and a further 13 per cent in 1984.

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The following information will appear on the Insurance and Overseas Managed Funds page with effect from Wednesday, January 12, 1983

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Executive Investment Pension Plan	Bid	Offer
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Do. accum.	95.0	100.0
Mixed Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Fixed Interest Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
U.K. Equity Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Property Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Overseas Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Index Linked Fund, init.	95.0	100.0
Do. accum.	95.0	100.0

Prices January 5. Unit dealings on Wednesday.

Clerical Medical Managed Funds Ltd.

15 St. James's Square, London SW1Y 4LQ, 01-930 5474

	Bid	Offer
Cash Fund	118.0	118.0
Mixed Fund	149.2	149.3
Fixed Interest Fund	149.2	150.4
U.K. Equity Fund	138.3	141.8
Property Fund	107.8	112.7
Overseas Fund	140.0	147.0
Index Linked Fund	108.5	108.1

Prices January 5. Unit dealings on Wednesday.

سازمان اطلاعات

UK NEWS

Shell plans low-lead petrol plant

SHELL UK is to build a \$38m low-lead petrol plant in Ellesmere Port, Merseyside. The complex will provide jobs for 400 workers during its peak construction phase.

The major contract for the design and construction of the plant at Stanlow Refinery in Ellesmere Port has been awarded to Procon (Great Britain), a subsidiary of the U.S. group, Universal Oil Products.

Shell's decision to build the plant follows the UK Government's directive that the lead content in petrol must be reduced from January 1986. This must be achieved without reducing petroleum octane rating requirements.

Side preparation for the plant has already started and the project is expected to be completed within two years.

The plant will use a catalytic reforming process to produce high octane components, which will then be blended into petrol. The reforming process has been designed by Universal Oil Products.

Shell said the plant would be its first for producing low lead petrol, and should be able to meet the company's entire requirements for the product when it comes onstream in 1985.

Last May the Government bowed to health and environmental concerns by issuing a directive that the legal limit for the amount of lead in petrol would be cut by two-thirds by the end of 1985. The permitted level will then be 0.15 grammes per litre, compared with the present 0.4 grammes per litre.

Port action urged

A LIVERPOOL City Council committee will today consider a report calling for urgent government action to ensure survival of the Port of Liverpool.

The report, drawn up by the council's planning officer, stresses the Mersey still has significant problems to overcome if it is to achieve lasting viability. It comes when the Mersey Docks and Harbour Company is facing what could be a make-or-break year after trading losses of £12m in the 18 months up to the middle of last year.

Last month the Government wrote off £36m loan charges owed by the company, but at the same time withdrew any further financial grant aid. The company has made alternative arrangements to keep in business.

The report says there is an urgent need to strengthen both the port and the regional economy. It recommends more direct assistance and a more equitable European policy of port subsidies to ensure fairer competition.

It also urges the Government to modify its regional aid policy.

Shore challenge

MR PETER SHORE, Labour's shadow Chancellor, has called on Mr Robin Leigh-Pemberton, the next Governor of the Bank of England, to state "without delay" his attitude towards his new post and to explain his reported readiness "to resist" any Government policy which led to an over-valued exchange rate.

Mr Shore said he believed the present exchange rate was over-valued, and in a letter to Mr Leigh-Pemberton he said: "I would expect the Governor of the Bank of England, as I would expect all my official advisers, to give me their best advice on this as on other policy matters."

Builders hopeful

BRITAIN'S housebuilders are more optimistic than at any time during the present recession. Most of them expect better business in 1983 at a time when costs, in relative terms, have been held in check.

A state of trade inquiry from the House-Builders Federation shows that more than 90 per cent of the 215 house builders surveyed expect to maintain or improve on their present level of activity in 1983, with 58 per cent anticipating an increase in housing starts.

Meanwhile, the housing cost index published in the latest Building magazine shows that last year the cost of building a house rose only 1.4 per cent - the lowest annual increase since 1973.

Beer output falls

BEER production last year fell by about 3 per cent according to the figures published by the Brewers' Society. These show that from January to November, the UK produced 33,826,626 bulk barrels, a fall of 2.9 per cent on the previous year.

Factory closure

DRG, the former Dickenson Robinson packaging and stationery group, is to close its Liverpool-based paper cup business, with the loss of 180 jobs. DRG Caps and Containers will close in April.

TEXTILE INDUSTRY ACCUSED OF WASTING GRADUATE TALENT

Designers lured abroad

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

MARY WILLIAMS left Liverpool Polytechnic with a degree in textiles and at once decided to work in Italy. "The Italians are a lot more receptive to the work of designers," she said.

"Lots of British students go to work in Italy and of my colleagues in college most do their work for abroad," she added. "The Italians will take a gamble whereas British companies are much more staid. The reason is probably financial. Too few British companies have the money to invest in new graduates and their ideas."

Mary Williams' view of British industry is commonly held among students studying textile design. It finds an echo among some teachers. The British textile industry, they say, simply does not make use of the students coming out of the colleges and this is one reason for its decline in the face of Italian, West German, French and American competition.

Industry denies the charge. "The main fault is the distance between teaching and industry," according to Susan Collier, a designer-converter who runs Collier-Campbell with her sister, Sarah Campbell, in South London.

"It is not student courses that are at fault but the unwillingness of many teachers to get involved in industry," she said. "Too many teachers go into teaching to avoid indus-

try. They go there to avoid the stress of having to make a profit.

"They are therefore not in a particularly good position to guide students. They do not tell their pupils that art school cannot be anything but a first step in an apprenticeship. The second step must be to work in a studio."

"You need the disciplines of work superimposed on the freedom of art school."

Some teachers recognise this. John Crowe, of the Royal College of Art in London, agreed that "a lot of students do have trouble in finding jobs and it is partly because the student is not sufficiently prepared. She - most textile students are girls - is simply not prepared for work."

He believes, however, that British industry does not sufficiently appreciate the concept of design. "Much of the trouble is that companies often regard design as a subsidiary of production or marketing."

Unfortunately, not many companies are willing to let designers do their own market research. A managing director confronted with a funny-looking girl in jeans and with coloured hair would rather trust his wife's opinions than the girl who has been trained for the job."

Within industry there are some who accept this view. Sid Sykes, merchandising and design director of CV Home Furnishings, the Carrington Virella subsidiary which

produces the Dorma range, believes that industry does not employ enough designers.

"He has a design team of 18 and has taken on three students this year. 'I try to do that every year and also try to see all those who write to me.'"

"Some of the trouble, though, also lies with the colleges. In my four years in this job not one of the big colleges has written to me to ask me to show students around. That is a sad indictment of them."

There are about 18 colleges and two universities - Leeds and Manchester's Institute of Science and Technology - which produce about 2,000 textile graduates a year. In addition there are probably another 20 institutions which have textile courses.

The better ones, like Trent in Nottingham, Liverpool, St Martin's in London, the Scottish College of Textiles and Newcastle Polytechnic, relate to industry's needs.

Trent took a stand at the Fabrex exhibition in London last year. "We went to Fabrex," Professor Edward Newton, head of the department of fashion and textiles explained, "because that is where the industry is. We cannot expect them always to come up to Nottingham."

"We have a good record of placing students in studios, despite the recession and the intensity of competition."

This announcement appears as a matter of record only

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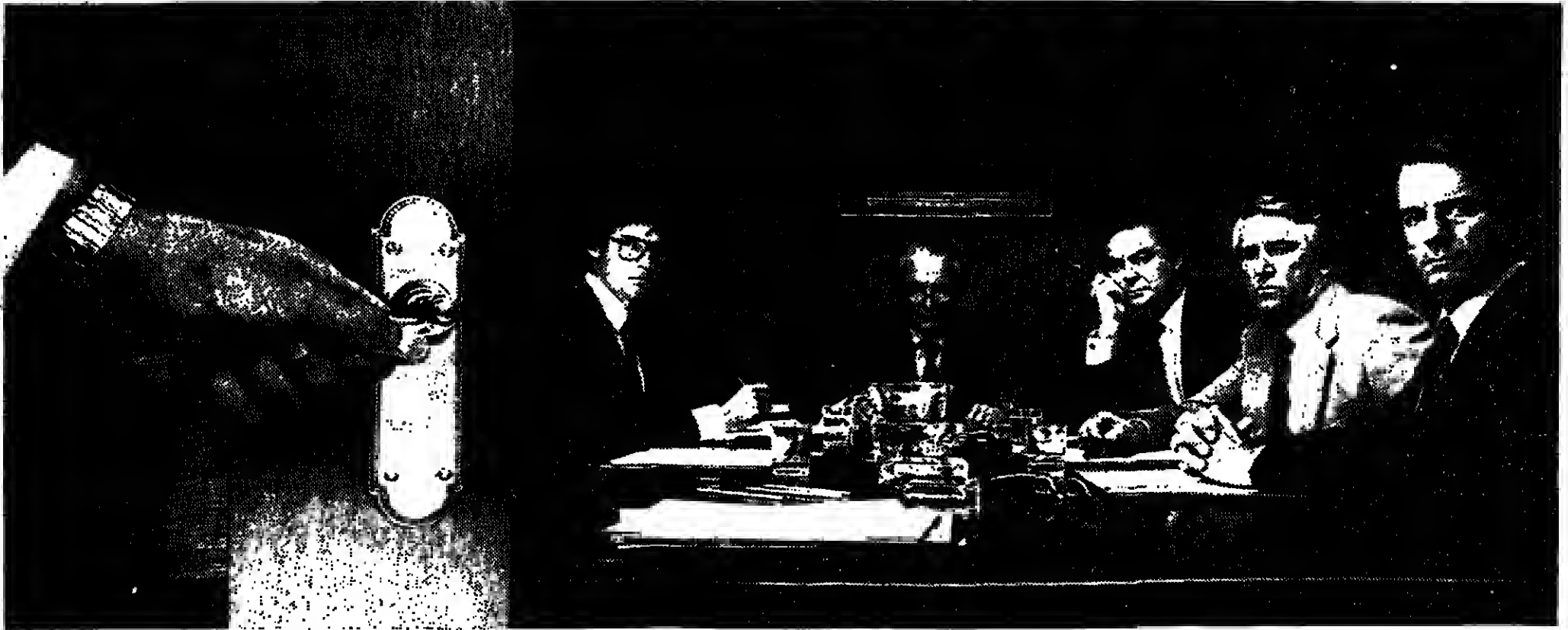
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Information sought on non-executives

IN HIS efforts to promote the appointment of more non-executive-directors to British boards, Jonathan Charkham has found what he believes to be a glaring omission in the report and accounts of many publicly-quoted companies.

Although they have no statutory obligation to do so, a majority of companies do not differentiate in their list of corporate officers between executive directors and their part-time colleagues.

Among those companies which do, only one in an informal survey of 100 companies gave any indication of what qualifications its non-executives had to serve in such a capacity. Charkham's survey covered a random sample of the report and accounts of mainly larger companies over the whole industrial spectrum. Although it is difficult to quantify exactly how many have any non-executive representation, the latest Board of Directors study by Korn/Ferry International, the executive headhunters, suggests that around 90 per cent are likely to have at least one non-executive director on their boards.

Charkham, a former director of Whitehall's Public Appointments Unit, runs the recently formed Promotion of Non-Executive Directors (ProNed), a headhunting bureau financed by a consortium of City and industrial institutions, including the Bank of England.

He believes that shareholders are entitled to know the board profiles of the companies they invest in.

Adequate personal information about directors is often only disclosed when they are elected or when a company is floated on the Stock Exchange, he says. Usually, very little

information is made available in the annual report and accounts.

"A company's prosperity depends more on the skill of the people who guide it than on any other factor," he says. "It is astonishing that shareholders should know so little about who they are and what they do."

Behind the proposal lies Charkham's strong conviction that every boardroom should contain a healthy proportion of independent directors to counter-balance the traditional executive bias. By identifying the various types of directors a chairman's attention would be focused on the existing balance of his board and whether it was an ideal mix, he says.

Charkham found that 57 of the 100 companies did not differentiate between executive and non-executive directors and only 19 of these provided some additional information about the responsibilities of the executive directors.

The balance neither differentiated between the two types of directors nor gave any additional information about its officers.

The one company that did differentiate and give additional information about its non-executive directors was Montagu Investment Management, the investment arm of Samuel Montagu and Co, the merchant banking group.

Under its list of directors the company gives up to five lines of information about the individual's current and other responsibilities.

This is no more than Charkham feels is necessary. "The Americans already do it simply and without fuss," he adds. "I can't see why we shouldn't."

Arnold Kransdorff

February 14-16. Details from the Registrar, Management Centre Europe, avenue des Arts 4, B-1040 Brussels (Belgium). Report writing for managers, engineers and scientists, February 7-8. Fee: BIM members £196.50, non-members £218.50. Details from British Institute of Management Foundation, Management House, Cottingham Road, Corby NN17 1TL.

Reflective recall: A new approach to facilitating managerial development, February 11. Brunel University, Fee: £125. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex. UBS 35FL.

Business courses

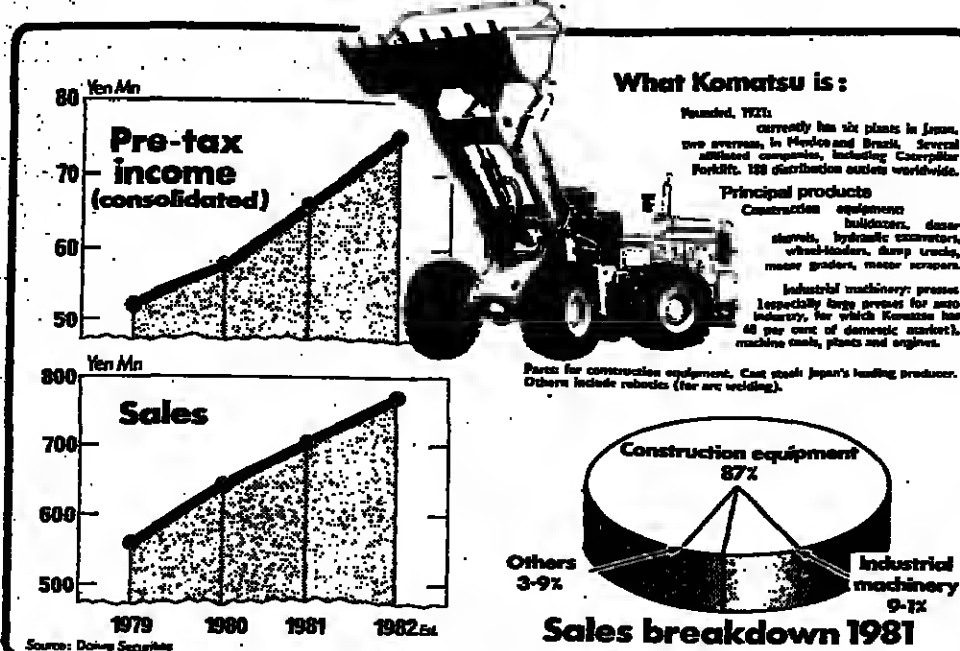
Whose industry is it? London, 2-3 March. Fee: £325. Details from Paul Fifield, City Financial Conference Services, 20/24 Ropemaker Street, London EC2Y 9AS. Tel: 588 4274.

The fundamentals of finance and accounting for non-financial managers, Vienna, February 7-11. Fee: Non-members: £56,000. Members: (AMA/7) £50,000. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels. Tel: 02 219 03 50.

Zero-base budgeting, Brussels.

Komatsu: digging in to good effect

Jurek Martin reports on the strategy that produced Japan's leading construction machinery group



Branco Radovic

A HAZY winter sun was setting low behind the 400 trees that partly obscure the grime of industrial Osaka when the D 455A came over the dirt pile, blade upwards. Down the other side it plunged, pausing briefly to execute two spin turns, its tracks screeching in a space that would not have disgraced a London taxi, before charging off to shift earth.

With each blast of the foreman's whistle, the rest came in rapid order. The PC 650 hydraulic excavator dug into the D 455A's mound, at 3.3 cubic metres a scoop, and tossed its load into the ED 325 dump trucks. But all three behemoths were suddenly dwarfed by the appearance of the massive PC 1500, 150 tons of steel and microcircuitry welded into one awesome excavator, its driver perched high up in a cab with a computer to operate the 8.5 cubic metre capacity scoop and an FM radio to sing along with in his hawk's nest isolation.

Suddenly this slow dance of the yellow "monsters" was interrupted by the entrance of a pilotless green creature—a radio-controlled amphibious bulldozer, weighing in at 45 tons on land, but only 28 tons at its maximum operating depth of about 22 feet.

Another whistle and the team of drivers and radio controllers, each clad in white grand prix overalls, leapt from their charges, trotted at the double into a neat line and bowed in perfect unison.

This type of spectacular may be common in an industry, construction machinery, not otherwise noted for glamour. Certainly the company, Komatsu, normally takes itself extremely seriously. Far less common, however, has been the way in which, in 20 years, Komatsu has risen from the relative obscurity of moving Japan's many mountains and filling its fields to become a number two supplier of construction machinery behind Caterpillar of the U.S., with 10 per cent of the world market now and aiming higher.

As the world recession takes its toll on its principal international competitors, with even Caterpillar losing money for the first time in two generations, Komatsu appears to be weathering the storm almost leak-free. Its 1982 sales will approach \$2.6bn, 10 per cent up on last year; exports now account for 80 per cent of its own output and it commands the same

share of all Japanese foreign sales of construction machinery: its net profit, as the table shows, have shown steady, if unspectacular, growth, but any gain in income in a year like 1982 is not to be sneezed at.

It is true that sales to the U.S. and Europe have suffered of late, but Komatsu's exposure in these markets is, in its broader picture, relatively small. Hitachi, for example, still ships more excavators to the U.S. But Komatsu has recently bought itself out of two commercial ties—with International Harvester for wheel-loaders and with Bucyrus-Erie for excavators—in order to free itself for any subsequent assault on Caterpillar's heartland, if times get better, with a more diversified range of products.

Any disappointment in the U.S. is more than offset by continued growth elsewhere, above all in the ASEAN countries, especially Indonesia and Malaysia. It is here that the battle with Caterpillar, itself in harness with Mitsubishi Heavy Industries, is proving most intense. Both Africa and the Middle East are proving fruitful regions for expansion and, the company professes itself unperturbed by the emerging balance of payments problems of the oil-producing

with the two U.S. companies. Considerable emphasis is also being placed on ancillary areas, such as robotics.

Komatsu also has two overseas assembly plants, in Mexico and Brazil, though neither is doing particularly well at present.

But all the above is, taken in isolation, unexceptional. What makes it all work, Komatsu executives believe with almost messianic fervour, is the system of total quality control that has been implemented over the past 20 years. Much has been written about Japanese quality control systems and their potential application elsewhere. The Komatsu version does appear somewhat different from the norm, both in conception and execution. The greatest source of corporate pride is the fact that last year Komatsu became only the fifth company to win the Japan Quality Control Prize, considered the equivalent of a Nobel Prize for doing things right. (Previous winners were Toyota, Nippon Electric, Nippon Steel, and Aisin-Seiki.)

In the beginning, according to Karuo Shimoyama, a senior quality control manager, the system was introduced principally as a defensive, almost desperate, measure. In 1961 the construction world was gripped by a severe recession and

tal investment rules posed a particular threat to Komatsu, then a modest manufacturer heavily dependent on bulldozers in the shape of the promised link between Caterpillar, already the industry's dominant force, and Mitsubishi Heavy Industries.

Komatsu knew at the time that its bulldozers were only half as good as Caterpillar's and concluded it had to improve quality in order simply to survive new competitive forces in its own domestic market.

But Komatsu, Shimoyama goes on with disarming modesty, had little idea how to go about it. Fortunately one of those old friendships that still very much characterise Japanese business came into play. Ryochi Kawai, then on his way to the presidency which he held from 1964 until earlier this year, got back in touch with an old school friend, Professor Kaoru Ishikawa, by then the academic guru of Japanese quality control.

Professor Ishikawa's basic advice was that there were two ways to introduce quality control—from the bottom (shop floor) up or from the top (management) down. Kawai's response was that since Komatsu's future looked bleak, there was no alternative but to take the second route, and on a crash basis. Indeed the project was officially called nothing less than "Komatsu's survival strategy."

It has been immensely refined over the years. The basic principle, though it has been supplemented by a second guiding rule which might be called from the outside in. This means that it is the customer's needs which remain paramount in everything Komatsu does—from product development, through manufacture, to sales and maintenance. Everything, Shimoyama says, starts and ends with market research.

This, of course, is a well-known characteristic of Japanese research and development effort but Shimoyama argues that its total application throughout the production process, and beyond makes the Komatsu system unique even in Japan.

Komatsu operates under a rolling five-year plan, an integral part of which is the president's annual diagnosis, presented each autumn. Its findings are passed down, via division chiefs, plant managers and departmental

heads to the shopfloor, each level meeting as a quality circle once a month to work out implementation.

The company claims impressive results. The initial project, known as Circle A, focused mainly on the domestic market. Within two years the reliability of Komatsu bulldozers had doubled. Circle B, introduced in 1972, embraced overseas markets and bigger projects. Its achievements include a 50 to 100 per cent improvement in mean time between failure (mtbf) of Komatsu products, a 30 per cent drop in user repair costs and at least a 20 per cent appreciation in product value.

As part of the process Komatsu managers, engineers and even assembly line workers regularly visit customers, in Japan and overseas, to gain an impression of the customer's real needs.

More difficult, Komatsu executives admit, is the task of getting the two overseas plants and the host of domestic and foreign suppliers, sales and maintenance agents to adhere to total quality control. Komatsu does as much as possible in-house (including making some of its own cast steel, specialised machine tools and, more recently, are welding robots), but it still relies on outside suppliers for about 70 per cent of the material and parts used in Komatsu products.

Paternalism

The complex relationship of big Japanese manufacturers to their subcontractors appears alternatively characterised by benign paternalism, in making sure that work is passed around, and ruthless excision of those who fail to meet standards. So absolute is Komatsu's commitment to quality control that it probably uses the second approach more often than it would care to admit publicly.

But this is a company with ambitious goals which believes it has found the key to success. It is confident it can double its share of the world market for construction equipment within the next five years. Its internal self-confidence in its own methods gives the impression that it will try and achieve this from its potent Japanese base, with an increasingly diversified product line, rather than necessarily setting up manufacturing facilities elsewhere. However, protectionist trends in the world may change the company's perspective.

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STAYING AHEAD IN THE RACE TO TOMORROW.

THE ARTS

La Boutique Fantasque

Clement Crisp

Injury and the flu epidemic are taking their toll of Sadler's Wells Royal Ballet. On Friday night at Rosebery Avenue, with a new programme scheduled, 11 dancers from the company roster of 52 were late, and there resulted some changes in casting, with Graham Lustig suddenly finding himself as the prince in Ashton's *Pas de Légitime*, a role he learned that morning so as to avoid the piece being renamed *Pas de Prince*. Brian Bertscher, once a member of the company and now a teacher, called at the theatre to see his former colleagues and was pressed into immediate service as a poodle in *Boutique Fantasque*. Yet, whatever the problems with numbers, there were none in performance spirit: the evening brought some rewarding interpretations.

Among them was Galina Samsova's lovely waltz with Les Sylphides. The SWRB staging of this difficult ballet is honest enough, though lit with an unrelenting neon glow which dissipates all likelihood of the dances seeming the Romantic reverie that Fokine wanted. Given with an appearance of decently muted spirits by a cast wearing "listening" Caplin's faces, it proposed dancing as something which happens at the extremities of arms and legs. And there, in the out of these Anglo-Saxon attitudes, was Miss Samsova, an unbecoming wig and awful shoes, dancing Fokine's ballet. With her expansive phrasing, ecstatic arms, she showed that the ballet's atmosphere was not mopey but aspired to the moon and romantic dreams. It was a lesson in style not to be missed.

The evening ended with another reminder of the com-

ing validity of the Diaghilev repertory, thanks to Alain Dubreuil's Can-can dancer in *Boutique Fantasque*. Difficult to believe that an artist today might assume a character role massive made for himself and give it authentic Russian life. But Mr Dubreuil is master of his eccentric, witty manner, and as he dances there comes the thrill of recognition that the role—and with it the ballet—has not lost its sparkle.

It is a wonderful interpretation, and Martin Tait has the gaiety and zest for every fussy and frou-frou of the Can-can girl's skirts. *Boutique* is still a bewitching work, though more than a little in need of the doll's dances and in the orchestral playing (there is also some re-painting needed on the beautiful Derain back-cloth). Stephen Wickes is an excellent shopkeeper, the American and Russian children are boisterous but not too overbearing, and for anyone interested in choreographic curiosities, the appearance of the ten corps girls when midnight sounds is a fascinating example of an old-fashioned "classical" air.

The Ashton *Pas de Légitime*, now entered into the SWRB repertory, is a macedoine of little dances to show off the choreographer's brilliant vegetable costumes that, like the choreography, were made for a film three years ago. The piece is slight, well-danced, not least by Graham Lustig in his unexpected debut. About Hans Marien's *Five Temples* I will note that orchestration of Astor Piazzolla's music minimises its pungent sharpness, and that the cast, true and parade about the stage for no discernible reason. I think they may be worried about matters of the heart; they would do better to be concerned about the choreography.

School for Scandal/Haymarket

B. A. Young

Donald Simden, Michael Denison, Dulcie Gray, Beryl Reid, Sebastian Shaw, Bill Fraser, here are riches at the right kind for Sheridan's rich comedy. But there are just the icing on the cake. There is a superb production by John Barton (with Peter Stevenson), a beautiful design of sliding panels, and handsome costumes, by Christopher Marlowe, which are a delight to the eye. And two young people, unquestionably bound for stardom, Judy Buxton and Michael Siberry.

Donald Simden, resplendent in a velvet coat or crimson dressing gown, doesn't attempt to bury his familiar talent in his characterisation of Sir Peter Teazle; indeed, he takes a step back into stage history, playing the part with a subtlety and feeling which the audience is invited to share his feelings with him. The part is a natural for him, and I never expect to see it done more effectively.

The mood is set when Dulcie Gray, as Lady Sneerwell, speaks Garrick's prologue. Then she comes downstage to mingle with the crowd of evildoers, but she never relinquishes the subtlety with which she began. To hear her spit issuing from such an unclouded countenance is fascinating. She is alone in this restraint; Beryl Reid's Miss Candour is a slightly externalised wit of comedy, reaching even to some knockabout fun with her husband, Sebastian Shaw, Patrick Godfrey and James Griffiths, as Crabtree, and Snake, appear as typical bewigged gentry of the time, bouncing their scandal about like quash-balls.

The play takes a long time to get moving (which is certainly not to say it is dull), and the evening is half over before the

appearance of Michael Denison as Sir Oliver Surface, in a coat of more than oriental splendour that shows sufficiently under the black cloaks he dons as Mr Premium and Mr Stanley to be detected by anyone less self-satisfied than his two nephews, Joseph and Charles.

They are a well-contrasted pair. Christopher Godwin as Joseph is the essence of "proletarian" in his downy, Michael Siberry as his younger brother, Charles — an uncommonly handsome young man who wisely keeps his profile towards us as much as he can — is a rake from the moment we see him, with his hat on the back of his head and his friends' room full of his drunken friends getting drunker. Joseph controls his behaviour perfectly in the scene with his father, but Charles never tries to control anything in the emotion of the family portraits, for he is always perfectly satisfied with anything he does. And so, a new face of the highest quality.

Judy Buxton's Lady Teazle is never allowed to refer back to her country upbringing; she has settled wonderfully into her new world, and her most outrageous behaviour is always acted out with good breeding. She looks exquisite, and moves with an elegant grace. As Maria, Petronilla Whitehead is a classic scene-stealer, charming as her performance is.

Bill Fraser makes the honest Rowley a quiet, undemonstrative fellow, and there are two small performances that delighted me: Gordon Gostelow as Moses and Stephen Jacobs as Charles's servant Trip, who clearly moulds himself on his master.

Romeo and Juliet/Coliseum

Max Loppert

Saturday's return of *Romeo and Juliet*, a Colin Graham staging of the Gounod opera first shown by the English National Opera two years ago, produced a rather watery evening of lyric theatre. Nothing gross or damagingly wrong was permitted in its execution, yet the house came only faintly to red-blooded life, in the later scenes. Before that, one had begun to notice with disappointment, regularly, how perilously easy it is for an English-language performance of Gounod to replace vitality with decorous pallor.

The conductor was again the Frenchman, Louis Frémaux. But because much of the energy and dramatic spirit appears to have drained out of his reading, it was strange how disconcertingly "English" the show became — polite and tasteful in its orchestral and choral work (with little special sensitivity or affection addressed to the gems of exquisite charm that the score can still throw up), mildly irritating in the strings of the gurgling business attached by the producer to the ballroom and duel episodes, "down-market" in look and unfolding (I longed to rush up to the

stage and rip down that gauzy front cloth, once and for all), above all tame in its central romance.

Partly, this is the composer's own fault, and the square, Victorian-organ-logic sequences in which a fair quantity of that romance is limited. But mainly it was the casting. Valerie Masterson, still an enchanting Juliet to the eye, and in rather fresher voice than for the recent *Scandalo*, seemed to touch only intermittently the sweetness, purity and clarity of line that so distinguished her heroine the first time round. She clearly needs a more ardent Romeo to work up any suggestion of emotional warmth; John Treleaven's range of facial expression is limited to kindly discomfort, and though in terms of tonal weight the voice much more closely approaches the requirements of the part than did his predecessor's, the phrasing was often loose, and much of the middle and lower ranges had an ominously cloudy timbre (if, as it sounded to me, he was suffering a cold, announcement to the effect would have been fairer to both the tenor and his audience).

Among the newcomers, there are some successful contri-



Valerie Masterson and John Treleaven

butions—indeed, Sally Burgess (Stepano) and William Shimmin (Mercutio) come closer to suggesting the dapper, twinkling side of Gounod than anyone else on stage. Richard Van

Allan is a surprisingly smooth and sonorous Friar Laurence. The Act 4 "bedroom duet" is still much cut, though on this occasion I minded less than perhaps I should have.

Understanding public desires

It was clear when Mr Michael Heseltine wrapped up 1982 by announcing four major planning decisions for London that when he came back from bird-watching in Tobago he would no longer be in the environmental hot seat. So it is a relief to the first Secretary of State for the Environment who understood the public desire for better modern architecture and tried, in his hasty and impatient fashion, to effect some improvements.

He wrote his own end-of-term report by the four decisions he made for London. He sanctioned the conversion of the old fish market at Billingsgate into a commodity exchange with a large office block alongside. He made a mysterious non-decision for the City Street area of the South Bank of the Thames by apparently approving both the competing schemes.

This uncharacteristic piece of pusillanimity leaves his career Mr. Heseltine with a certain fight between the supporters of the local and more traditional "residential" by the Association of Waterloo Groups and the offices by Richard Rogers for the developers Greycoat Estates.

At Hyde Park Corner the redevelopment of the St George's Hospital site by Chapman, Taylor and Partners for the Grosvenor Estate will restore the hospital building by William Wilkins (1776-1839) and add a fairly indifferent office block. His fourth decision I have already written about — the choice of Abreus, Burton and Koralek as the winners of the competition to design the new wing of the National Gallery. Once again eager to make an impression, Mr Heseltine went along with Lord Annen's proposal to build commercial offices on the Government-owned site to fund the new galleries. This created grave problems for the assessors and the architects and brought the competition into disrepute.

It was the revival of the competition system that will distinguish 1982 as a year to remember. Inevitably the results of competitions do not always please everyone but the system has only just begun in this country.

Certainly the winning scheme selected for the Green Giant site at Vauxhall Cross by the

architects Seheer Alisopp was a competition year. I do not look forward to the zig-zag wall with late Pompidou centre overtones for that site on the river.

That competition had the added blessing of a special development order to which the winner, through the planning laws at high speed with the blessing of Parliament. What a miserable debate it was in the House of Commons with members of Parliament displaying their familiar philistinism and almost total unconcern for the architectural quality of the capital. We should be grateful to Michael Heseltine for forcing MPs to reveal their true indifference.

Colin Amery sees 1982 as the year when the public rather than the profession took up the cry for better architecture.

The most exciting architectural event of the year in England was the competition for the new wing of the National Gallery. The winners Abreus, Burton and Koralek won the palm because their scheme was by far the most original. The runner-up, the American firm Skidmore, Owings and Merrill are now threatening to sue the Government for its handling of the competition. Needless to say the third runner up Arup Associates, are maintaining a decent British reserve.

The most heartening thing to emerge from the National Gallery competition has been the public interest. The exhibition attracted record crowds and the response was an articulate and intelligent one. The public is interested in architecture, my own postbag demonstrates this every week, and it is the profession that so often handicaps the progress of the art of architecture.

The Royal Institute of British Architects still manages to understand the public and the media and to resent the critics. It was staggering to hear plain rudeness at so many of the "Great Debates" lectures at the Institute — particularly when ever Post-Modernism was mentioned. Last year was the year when the critics and writers and

the public showed that there is a lot of hope in the air for the development of architecture, only a few members of the profession seem to be able to catch on to the fact that the aesthetic climate has completely changed. I confidently predict 1983 will demonstrate that the growth point for the future of architecture lies closer to the artist than the professional, institutionalised architect.

In the City of London the creation of Mansion House Square — an office block designed by the late Mies van der Rohe and a new square — was finally turned down by the Corporation. There will be a public inquiry at some point in the RIBA and a few architects

trained in the Miesian tradition are likely to support this building of a canyoon to the Modern Movement. It is said in a way that the City cannot persuade Mr Peter Palmbo, who is clearly a man of discrimination, to back a competition for his site to find another kind of building more suited to the City. Cities are not like private art collections that have to have one example of each of the masters — they live and breathe and slowly reflect their times.

The BBC has shown an interesting spark of life in their choice, arrived at in curiously secret and mandarin ways, of Norman Foster to design a new building for BBC Radio. This is such a chance for Norman Foster to demonstrate that he is able to produce a building that refers to, as well as reflects, its immediate environment. No one doubts his technical bravura — but BBC Radio in particular is the voice of a subtle and complex nation — a great architect could use this commission to show his humanity and understanding of the arts of British life. What an opportunity for Foster to prove that he can be an artist — will he grasp it?

The conservation movements had a strangely quiet year — one

of the few benefits of a recession perhaps? The overnight demolition of Kensington Town Hall in June by the local council and the subsequent choice of a dull design to replace it by Frederick Gibberd and Partners rightly angered the Royal Fine Art Commission who favoured the far more distinguished scheme by architect Richard MacCormac.

The Commission objects strongly under its energetic secretary Sherban Cantacuzino, deploring the short sighted commercial approach of the Kensington Council. It is good to see the Commission is able to speak out — it should do so more often.

The noisiest conservation meeting of the year was the National Trust's AGM and special meeting about the leasing of Trust land to the Ministry of Defence. The Trust weathered the storm but accept the fact they will have to find a way to keep member informed and involved in the Trust's affairs.

Outside the amenity societies about the Government's proposals to recognise the "heritage bodies" and this year will see more public debate on the reaching proposals to make the new Heritage Commission a more entrepreneurial body.

One welcome act of Government patronage for the heritage was the completion, after 30 years of the *History of the King's Works*. This six volume series, described in scholarly detail the construction and care of public buildings in England from the Middle Ages to 1851. It is the kind of major achievement that deserves thanks and congratulations.

Looking ahead to a period when there is unlikely to be a rapid increase in building activity, the future for architecture lies in this country at least. In the development of the new theory and language of architecture. There is no doubt that this crucial stage will produce a new architecture that is more in tune with history, more decorative, more colourful and, with luck, more beautiful than the architecture of the 1960's and 1970's. The eighties are a transitional period and I sense an energy to renew the art of architecture in ways that we will all find more sympathetic.

Blood Brothers/Liverpool

Michael Coveney

The playwright Willy Russell and the folk singer Barbara Dickson first joined forces nine years ago at the Liverpool Everyman for a memorable show about the Beatles. Their reunion on Merseyside after an intervening period of remarkable success for each of them — Russell in theatre and on television, Dickson in the pop charts — has been eagerly anticipated.

Blood Brothers at the Liverpool Playhouse has text, lyrics and music by Russell and an impressive singing performance by Dickson as a mother of male twins separated at birth. It opened on Saturday night and, such is the local interest, is certain to pack the theatre for at least two months.

The show is a rather strange hybrid of operatic melodrama, sentimental romance and ebullient social comment. Imagine, if you can, a Scouse amalgam of *Il trovatore*, *The Tenth Night* and Trevor Griffiths' *Somerset*. It is harsh, vulgar and tremendously enjoyable. Director Chris Bond has pulled out all the stops to give Liverpool a technically proficient and generously high-spirited evening.

Mrs Johnstone (Barbara Dickson) is an impoverished mother who works as a cleaner for posh Mrs Lyons (Wendy Murray). On conceiving twins, and under pressure from "the Welfare", she donates one to her barren employer. The two boys, Mickey and Eddie, become unlikely street pals and later meet up when their respective families have moved out of the inner city.

While Eddie progresses through university to a post of local councillor, Mickey finds himself married and unemployed (a neat convergence of musical and dramatic staging at this point). Mickey's wife (Amanda York) wins a house and a few extra favours from Eddie. This leads to a finale of jealousy and grim melodrama not inconsistent with the rural goodness of the plot line. George Costigan and Andrew C. Wadsworth (whose fine voice is cruelly under-exploited) are excellent as the blood brothers, each charting in some detail the contrast between the innocence

of short-trousered camaraderie and its erosion by social conditioning. Nonetheless, the author makes some severe demands on our involvement. If this is indeed a quasi-fictional epic of high flown passions, why does Mrs Johnstone cry the news of Eddie's departure from the district with such bland equanimity?

The impressive brickscape of Andy Greenfield's design is first glimpsed through a gauze screen decorated with a likeness of Marilyn Monroe. The references to the doomed star are not always appropriate. But the prime number in Russell's convincingly melodious score rings some ingenious lyrical changes on the incongruity between Liverpool deprivation and silver screen iconography.

These connections are chiefly made by a narrator, played with brilliantly varicose resourcefulness by Andrew Schofield. The precision of Russell's coincidences is frequently glued together by Schofield's jack-in-the-box versatility: he bursts through as a greasy milkman, officious bus conductor, scruffy harassed teacher and lascivious cinema usher.

Also worth mentioning are the active evocation of three distinctly shaded decades and the quite remarkable musical direction and arrangements of Pete Filleul. I could have done with more of the latter. The heart leaps each time the piece band strikes up in a gamely happy sandwiched like a top deck burger filling half way up the set.

I caught a matinee in the Playhouse studio of Maggie Ford's one-person show *The Rising of Moan*. As it happens, I was very nearly a one-person audience, but was joined at the last minute by five members of the all-male Liverpool Police Against Sexism (I hope Alexei Sayle never hears about this). We all nodded wisely at Miss Ford's jaunty compilation of women's struggle in a male world. I rushed to the back of the football results, swallow a pint of beer, and shout at the wife down the telephone. I have changed nappies, though, and I do iron my own shirts. Is there any hope for me?

Nash Ensemble/Wigmore Hall

David Murray

On Saturday the Nash Ensemble offered rather a mild programme, with the chief rewards at the end. The Nash piano-trio team carried most of the concert, though Christopher van Kampen's cello was replaced by John Pignatelli's excellent one for Brahms' E-flat Trio, Op. 40 — a sturdy, shapely performance. The basic piano trio applied Sarah Walker's accompaniments in seven of Beethoven's folk-song settings (charming as always) and in three songs by Schubert by Roger Quilter, utterly enclosed in effect despite their marks of impressionist lessons learned.

It seemed a waste not to hear something more ambitious from Mr. Walker, though it must be said he is a sturdy, shapely performer. The Nash piano trio applied Sarah Walker's accompaniments in seven of Beethoven's folk-song settings (charming as always) and in three songs by Schubert by Roger Quilter, utterly enclosed in effect despite their marks of impressionist lessons learned.

Looking ahead to a period when there is unlikely to be a rapid increase in building activity, the future for architecture lies in this country at least. In the development of the new theory and language of architecture. There is no doubt that this crucial stage will produce a new architecture that is more in tune with history, more decorative, more colourful and, with luck, more beautiful than the architecture of the 1960's and 1970's. The eighties are a transitional period and I sense an energy to renew the art of architecture in ways that we will all find more sympathetic.

Royal visit to the NFT

Two films which have been restored as part of Mobile's sponsorship of the National Film Archive will be shown at the National Film Theatre on January 19. They are *Victoria the Great*, starring Anna Neagle, and the official film of George VI's Coronation.

Another special NFT occasion occurs on February 3 when Merchant Ivory's film of the Booker prize winning novel, *Heat and Dust*, has a charity premiere. The proceeds will be divided between installing Dolby sound at the NFT and the London International Film School. Princess Alexandra will be at the screening, at the Centre cinema and tickets are available from 01-439 8807.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 7-13

Music

LONDON

Bochmann String Quartet: Haydn, Prokofiev and Ravel. Purcell Room (Mon). (023101)

Philharmonia Orchestra open rehearsal and performance conducted and introduced by Oliver Knussen. Copland Inception and other British performance of Jacob Druckman's *Aureole*. Barbican Hall (Mon). (038 8891)

London Mozart Players conducted by Harry Blech with Tsumada Soh, violin and Wolfgang Manz, piano. Haydn, Mozart, Schubert and Mendelssohn. (Tue). (023101)

Schumann, Queen Elizabeth Hall (Wed). (023101)

Bochmann String Quartet: Haydn, Prokofiev and Ravel. Purcell Room (Mon). (023101)

Philharmonia Orchestra open rehearsal and performance conducted and introduced by Oliver Knussen. Copland Inception and other British performance of Jacob Druckman's *Aureole*. Barbican Hall (Mon). (038 8891)

London Mozart Players conducted by Harry Blech with Tsumada Soh, violin and Wolfgang Manz, piano. Haydn, Mozart, Schubert and Mendelssohn. (Tue). (023101)

West Germany. Munich: Herkulessaal Der Residenz. Meos Quartet with Egon Schick, piano and Georg Blumhagen, Double-bass. Schubert (Tue).

New York. Avery Fisher Hall: New York Philharmonic. Witold Lutoslawski and Zubin Mehta conductors. Raman Jahonaki cello. All Lutoslawski piano. In honour of the composer's 70th birthday (Tue). Larry Newland conducting. Janine Meyerson mezzo-soprano. Carter, Bernstein, Sibelius (Thur). (8742424)

Chicago. Orchestra Hall: American Symphony and the Orpheus Chorus. Jesus Lopez-Cobos conducting. All Russian programme (Mon). Philadelphia Orchestra. Richard Muri conducting. Alexis Weissenberg piano. Brahms, Schoenberg, Liszt (Tue). New York New Music Ensemble. Jane Bryden and Beverly Morgan sopranos. Zalm, Puccini, Janáček, Puccini, Borles (Thur).

Vienna. Musikverein (88190): Alexander Jenner, piano. Mendelssohn-Bartholdy, Schumann, Debussy and Liszt. (Mon). Kuechl Quartet. Mendelssohn-Bartholdy, Mozart and Dvorak (Wed). Haydn Quartet (Thur). Kuechl Quartet. Haydn, Brahms, (Tue). ORF Symphony Orchestra, conductor Gert Albrecht. Portrait of Georgy Ligeti. (Thur).

Washington. Concert Hall (Kennedy Center): National Symphony, Max Rudolf con-



Liszt at New York's Carnegie Hall

ducting. Ivan Moravec piano. Weber, Beethoven, Brahms (Tue, Wed, Thur). (224 3776)

Chicago. Orchestra Hall (220 S. Michigan): Chicago Symphony, Georg Solti conducting. Anne-Sophie Mutter violin. Tchaikovsky, Mendelssohn, Dvorak (Wed, Thur). (4358122)

Vienna. Musikverein (88190): Alexander Jenner, piano. Mendelssohn-Bartholdy, Schumann, Debussy and Liszt. (Mon). Kuechl Quartet. Mendelssohn-Bartholdy, Mozart and Dvorak (Wed). Haydn Quartet (Thur). Kuechl Quartet. Haydn, Brahms, (Tue). ORF Symphony Orchestra, conductor Gert Albrecht. Portrait of Georgy Ligeti. (Thur).

Washington. Concert Hall (Kennedy Center): National Symphony, Max Rudolf con-

E.T. CROSSWORD

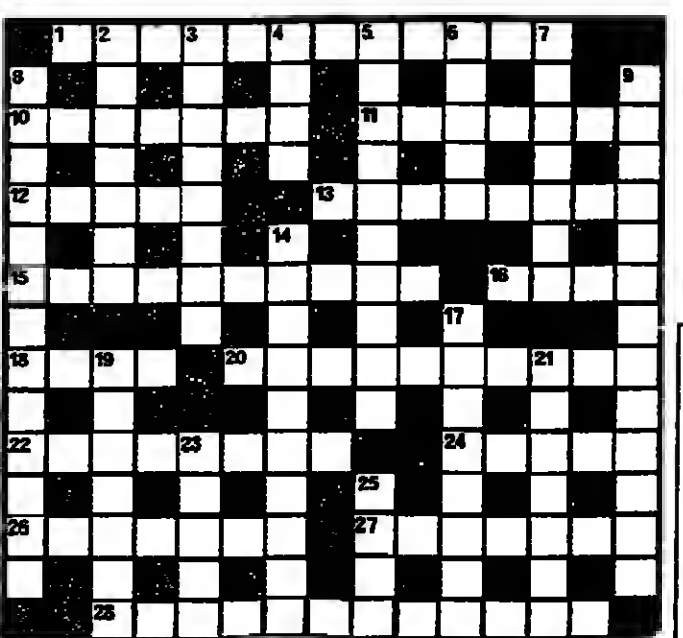
PUZZLE No. 5,067

ACROSS

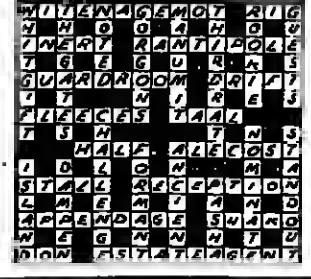
- 1 Fates? (7, 5)
- 10 Scoring in football but not in tennis (7)
- 11 Withdraw statement about the religious pamphlet (7)
- 12 Got an order for a light vehicle (5)
- 13 Give rise in order to afflict (8)
- 15 Sailor has the answer to forgiveness (10)
- 16 But it was not a potentially evil tribe (4)
- 18 Bound to look at record returned (4)
- 20 Free but in vain (3, 7)
- 22 Complete although uneven (8)
- 24 Order a hospital to deal with this witchcraft (5)
- 26 Voter turns tail on seeing a duplicate printing plate (7)
- 27 Spoon for one of twelve followers (7)
- 28 Even this accommodation is below ground (8, 4)

DOWN

- 2 Trips abroad in German and Swiss capitals (7)
- 3 Can I be friendly when about a hundred? (8)
- 4 Reports begin to move up in the 50s (4)
- 5 Word of warning on land in a conspicuous position (10)
- 6 Men of parts (5)
- 7 Swing high in the Big Top (7)
- 8 A for Adam, the first land-lord (7, 8)
- 9 Car's turning circle? (8, 5)
- 14 Concentrated on space for valuables (10)
- 17 Dismissed workers tempo-



Solution to puzzle No. 5,065



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Monday January 10 1983

The proof of the pudding

IT IS a marked change to hear President Reagan saying that recent Russian overtures such as the raft of arms control proposals contained in the Warsaw Pact communiqué from Prague mean there is a "serious foundation for progress." It is also unusual to find Britain usually one of the more hawkish members of Nato, turning up to stress the importance of the communiqué. But the West has been sensible in making a constructive response to the latest moves by the new Soviet leadership.

The shift means that Nato has largely stifled the voices of those who argue that it has recently been over-hasty in rejecting any initiatives backed by Moscow. More important, the alliance is now well placed to seize on the positive elements in the Prague communiqué, even if much of it is familiar and unsurprising, as it is its flavour and timing suggest that it is partly a propaganda exercise.

Steps

As for the detailed elements of the Warsaw Pact communiqué, some are primarily propagandist, if superficially attractive, some should be, in principle, welcomed, subject to appropriate safeguards, and some, while obviously unacceptable as they stand, may (or may not) represent tentative steps in the right direction.

A strong case for student loans

THE PRINCIPLE that British students should be financed by outright grants is denied by the facts. Of about 350,000 studying full-time for a degree or the equivalent, and so guaranteed a grant, probably a third or more have overdrafts. The proportion in debt is likely to be greater among the 400,000 who continue beyond school on full-time courses of lesser academic standing and who depend for grants on the generosity of hard-pressed local authorities.

Conservative leaders are considering a plan—probably to be in their election manifesto—to limit the grants-only principle. Spending on the grants apparatus, now totalling about £900m a year, would be cut. The payments even to young people from poor homes would be halved, and possibly withdrawn completely from their wealthy counterparts. Students would have to make up their finances with Government-administered loans, probably at less than commercial rates of interest and repayable over a period by all recipients whose later income exceeded a certain level.

Costs

The changes being imposed by Britain's University Grants Committee through the instrument of quotas on students in the various subjects will not swing the balance of the British system appreciably towards the promotion of economically supportive skills. A loan element which made choice of subject by aspiring students more responsive to the market would offer a more effective means of reorientation, always provided that quota restrictions were lifted so that higher educational institutions were free to respond in their turn.

Levels

Comparable mixtures of grants and loans are the rule in the great majority of developed countries. Two opinion polls in recent years have found that 56 per cent of the electorate would support the idea of Britain following suit, with only about a third against. But the Labour Party, the Trades Union Congress and associations of students and other educational interests are adamant that the grants-only convention be retained and furnished with much more taxpayers' money.

It no doubt could have been if, as was hoped two decades ago, the raising of educational levels in the workforce by the tripling of the student population had more than paid for itself in increased productivity.

The reason why the hopes of

The proposal for a comprehensive nuclear test ban is especially welcome, and is an idea which has in principle been supported by the UK. The 1978-1980 negotiations were stalemated over questions of verification.

However, the Prague communiqué appears to mark a move by the Russians towards accepting the need for verification. Since it is this problem which has been holding up progress in a range of fields, such as chemical weapons there is clearly room for Western probing.

Another point to be explored is Mr Yuri Andropov's general suggestions for a U.S. summit meeting. President Reagan has not turned it down, although he has (rightly) commented that such a meeting would have to be properly prepared.

The central question which needs to be established is whether, after all allowance has been made for the propaganda element, there remains anything in the communiqué which represents a genuine Soviet desire to reach equitable agreements reducing the dangers of war for both sides, and if so which sorts of agreements might in the end prove negotiable.

Unacceptable

The Soviet proposal for limiting European-based intermediate-range nuclear weapons is obviously unacceptable to the U.S., since it would leave the Russians with substantial numbers of SS 20s while ruling out any deployment of new Nato weapons. But is this just a clever move, designed to appeal to some in Europe because it offers the prospect of some reduction in Soviet missiles, or could it be a first step towards a tolerable balance?

The prediction that the conventional force talks in Vienna could be concluded in one or two years is odd, considering that they have been deadlocked for ten years; unless the Soviet Union intends to help break the deadlock. The Soviet proposal for cutting strategic nuclear weapons is much more modest than the American proposal, to which it is merely an answer; but perhaps it is an encouraging first step.

None of these questions can be answered except through the process of negotiation. The U.S. and its European allies should be clear in their minds that there is no unreasonable foot-dragging on the western side, and that in the increasingly public controversy over the rival arms control proposals, the West is all too ready to construe the Soviet position as reasonable positions.

Vice President Bush's planned visit is to be welcomed to the extent that it helps over this.

THE U.S. telecommunications industry is in the throes of the most violent and far-reaching upheaval in American business history. It affects every household and business in the country, and its reverberations, which are already starting to be felt overseas—will continue to echo around the world for years to come.

American Telephone and Telegraph, the world's largest company in terms of assets, employees and shareholders, is shortly to be dismembered as a result of an historic anti-trust settlement. Its vast Bell System, a national institution which has provided a superbly managed and efficient telephone service for generations, is being wrested from AT&T's control and split into fragments.

"I don't think that I have ever heard of anything as complex and difficult as accomplishing what is being done here," says Mr Charles Brown, AT&T's chairman.

Indeed, no company has been forced to undertake such a sweeping reorganisation since the dismantling of John D. Rockefeller's Standard Oil empire at the start of this century. "We are essentially undoing the entire fabric of the system," explains Mr John Segall, AT&T's head planner. "We are taking apart everything we did and we are seeking to put it all together again."

Moreover, no company has ever before had to undertake a reorganisation on this scale while its basic business was undergoing fundamental change. The boundaries of telecommunications are being drastically redrawn. The long-standing and increasingly unworkable U.S. policy, which erected a barrier of regulatory controls around telecommunications, separating it from the unregulated world of data processing, has been dismantled.

This has cleared the way for the untrammelled growth of new products and services which combine the technologies of both businesses. In turn, a slimmed-down AT&T, albeit with assets second only to Exxon—has been freed to enter almost any business in which it chooses to deploy its huge industrial and technological resources.

As Mr Segall likes to say, Ma Bell was not going to become an unwise virgin and miss the party. It was, in a sense, forced to split itself up to adapt to a fast-changing market if it was to survive.

The crumbling of the old order has also triggered a stampede into telecommunications-related activities by other companies as diverse as international airlines and Merrill Lynch, against which the Government also dropped its anti-trust case last year and Merrill Lynch, the world's largest financial services group.

For most of the past 100 years AT&T and the U.S. telecommunications industry have been virtually synonymous. "One system, one policy, universal service" has been the guiding philosophy of the company. Its 22 local telephone subsidiaries today serve about 85m of the 97m subscribers in the U.S. and its Long Lines division handles 95 per cent of all domestic interstate long-distance calls.

The impending break-up of this monopoly and the removal of its virtual monopoly will dissolve one of the most remarkable

America's communications

revolution: 1

The breaking and making of Ma Bell

The first in a special series by Guy de Jonquieres and Paul Betts on the most dramatic upheaval in U.S. business history: the break-up of the giant AT & T group.

AMERICAN Telephone and Telegraph is, by most measures, by far the biggest privately-owned company in the world. It has 84m customers, employs almost 1m people and last year generated total revenues of \$64.6bn.

Its assets of about \$150bn exceed the combined total for Exxon, Mobil and General Motors, the three biggest companies in the Fortune Industrial 500. Its capital spending, though scaled down to

about \$18bn last year, has regularly accounted for about 8 per cent of total investment by American industry.

Its Western Electric subsidiary is the world's largest telecommunications manufacturer, with sales last year of about \$13bn. Bell Telephone Laboratories, its research and development arm, has an unrivalled record of electronics innovations, including the transistor and the laser, which have

earned its researchers seven Nobel prizes.

AT&T's market capitalisation stands close to \$60bn and it is the world's most widely-held stock, with 3.2m investors—two thirds of whom own less than 100 shares. Together with its Bell System, it is the heaviest corporate borrower in the U.S. with outstanding medium- and long-term debt of \$44bn. Its pension funds have a market value of \$35bn.

AT&T's first priority is to break up its Bell System network. For the company's top management, many of whom started out in the local company, it is also the most painful part of the exercise. "It is a terribly wrenching, difficult and costly process," says Mr Brown.

AT&T and the operating companies are being forced to divide between them the Bell System's 527m miles of cable, 19,000 telephone exchanges, hundreds of buildings, vehicles and furniture right down to stationery and paperclips. Even the ownership of payphone kiosks will be shared out. At the end of the process, the 22 Bell units will be consolidated into seven regional holding companies, each roughly the size of British Telecom.

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As a result, some gaping loopholes have been left open. For instance, the law fails to specify who should have custody over the next year of some \$10bn of Bell System subscriber equipment which was deregulated at the start of this month. Even the question of whether AT&T or its divested operating companies should own the rights to the famous Bell logo is still in dispute.

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In the midst of the turmoil, AT&T is striving to shake off the habits of a century and to chart a wholly new course for the future. Its management is seeking to develop strategies simultaneously on three principal fronts:

● To comply with the anti-trust settlement which it reached with the Justice Department a year ago, it is preparing to dispose of its local operating companies early next year. The companies, which together have assets valued at \$120bn, will be spun off to its shareholders in the largest transfer of ownership in U.S. business history.

● It is scrambling to take advantage of its new-found freedom to enter competitive markets, in which it expects to achieve much of its future growth. The way was cleared by a Federal Communications Commission (FCC) ruling, known as Computer II, which took effect at the start of this year. It allows AT&T to sell as well as lease equipment and to branch out into businesses like data communications, electronic information processing and office automation.

Last month, the FCC took its pro-competitive policies a stage further, abolishing the distinction between voice and data transmission on international routes. The controversial decision allows AT&T to offer computerised data services abroad, while permitting other companies to enter the international telephone business.

● While preparing to defend its home market against increased competition, AT&T is seeking to resume large-scale equipment sales outside the U.S. after an interval of half a century. It is already involved in telecommunications projects in South Korea and Saudi Arabia and agreed last week to set up a joint venture with Philips, the Dutch electronics group, to market public exchanges internationally. When the collaboration with Philips was first mooted last autumn, it aroused fierce criticism from the French Government.

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Men & Matters

Bankers' man

One job that Robin Leigh-Pemberton is not likely to take over from the outgoing Bank of England governor Gordon Richardson is the chairmanship of the select band of central bank governors which assembles in conditions of tight secrecy and some opulence at the Bank for International Settlements (BIS) in Basle monthly.

On the Monday preceding the second Tuesday of each month except August and October the governors of the Group of Ten leading industrial countries plus Switzerland meet to mull over the world's finances and occasionally to hand out largesse as lenders of last resort.

Until he retired a year ago, the meeting was chaired by Dr Felix Zijlstra, former head of the Netherlands aBnk, who was also president of the BIS. Since then Richardson has chaired the meetings while the BIS presidency has been assumed by Dr Fritz Leutwiler, president of the Swiss National Bank.

The new chairman of this regular get-together will wield considerable influence in steering the world's banking system through stormy seas. The bankers are looking for one of their number of both standing and long experience in central banking—a specification which might seem to exclude Leigh-Pemberton.

However, there have been a number of changes in the top jobs at other central banks recently and few of the old hands are left.

One obvious candidate would be Dr Leutwiler himself. No doubt he would relish the job. But his appointment would mean reverting to the old and rather restrictive system of



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Some of the worst wounds...

are the ones that don't show

It used to be called shell-shock. Now we know more. We know that there are limitations to the human mind. Soldiers, Sailors and Airmen all risk mental breakdown from over-exposure to death and violence whilst in the service of our Country. Service... in keeping the peace in Northern Ireland no less than in making war.

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These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help to repay this vast debt. It is owed by all of us.

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Observer

150-160

EAST-WEST RELATIONS

Reagan squares up to 'trial by Yuri'

By David Buchan, East Europe Correspondent

THERE HAS been a change in the diplomatic wind—it's blowing from the East. Armed with the draft of "peace" proposals from last week's Warsaw Pact summit, and his own recent arms control initiatives, Mr Yuri Andropov has succeeded in throwing the West on to the defensive.

At the same time, western and specifically U.S. policy shows signs of shifting. Washington seems to be placing more emphasis on pursuing arms control agreements; dropping any notion of outright economic warfare against the Soviet Union; and that would profoundly irritate Europeans and force East Europeans to choose ranks with Moscow and putting a higher price on Nato alliance unity, after the last year's raging debate over West European involvement in the Siberian gas pipeline.

But Mr Reagan can no more afford than any other Western leader to let public opinion see him as roughly dismissive of arms control proposals. The West now has to react.

The burden of this response naturally falls on Mr Reagan, who has taken the significant step of sending Vice-President George Bush later this month around West European capitals to discuss the new East-West proposals. Certainly, the rough edges have been knocked off the new anti-communist crusade. No one will balk at the President's stated belief that communism belongs on the "ash-heap of history." But Mr Reagan has not returned to the rhetoric of his first presidential press conference that the Russians were "liars and cheats," and therefore, by implication, their signature on any agreement could not be trusted.

Smothered voices have been raised in Washington. Mr George Shultz, the bland Secretary of State, is discreetly making his mark: Mr Caspar Weinberger, the Defence Secretary, keeps his hawkish views more to himself. The caveat is that the Reagan team remains remarkably united—more than the Carter Administration ever was—on the overall political approach

Some in Washington see cause for optimism

skill, lacking in the later Brezhnev years. Some in Washington see cause for optimism in this. Mr Andropov's direct talks with President Zia of Pakistan, coupled with Soviet Press reports linking the possibility of a Russian troop withdrawal to non-interference by outside powers, is seen as setting out the conceptual basis for a settlement in Afghanistan. Noting that the death of Stalin in 1953 ushered in a spell of fruitful East-West diplomacy such as the Russian pull-back from Austria, one senior U.S. official said: "We would like Afghanistan to be the analogy of this."

Others are less sanguine and see Mr Andropov's cleverness as simply dangerous (even though such a view underestimates the pretty collective nature of Soviet-style government). "This man (Andropov) really understands us and knows how to twist words," attests General Edward Rowley, from his experience as chief U.S.

negotiator in the START long-range nuclear arms talks. "This is trial by Yuri," he quipped.

The U.S. did rebuff, within hours, Mr Andropov's offer last month to reduce Soviet medium-range missiles to the number of British and French missiles. But U.S. officials acknowledge the triple astuteness of the Andropov offer, which (a) comprised a regional European sub-ceiling on SS-20 missiles to appeal to all West Europeans; (b) was couched in such a way as to drive a potential wedge between non-nuclear West Germany and the nuclear powers of Britain and France; and (c) put forward the superficially reasonable proposition that the Soviet Union should be equal to the combined weight of its adversaries. The snag, of course, is that this would make the Soviet Union stronger than any single adversary—a position unacceptable to any U.S. administration and particularly under Mr Reagan.

But, for political reasons, the "Euro-missile" deployment must be pursued, unless and until agreement can be reached in Geneva, and pursued by political means. This requires renewed efforts to convince western public opinion that the Reagan Administration is genuinely keen on reaching an arms control accord. Some U.S. officials suggest that Washington would also have to go further than ever before in making public data about the Soviet threat: whatever the complaints from U.S. intelligence services.

Arguments within the Administration over economic strategy towards the Soviet Union have been muted recently, but only because for the moment the whole issue has taken second place to that of crisis and Pershing deployment.



Mr Andropov (left): astute offer; Mr Reagan: burden of response.



national Energy Agency, and general East-West trade to Nato itself. These studies will take some time to complete. That is partly the point. Apart from saving Mr Reagan's face when he had to drop his sanctions on the Siberian pipeline, the studies are designed to let the allies' tempers cool after the pipeline row and buy a breathing space.

But the differences inside the Administration, and fundamental divisions between the U.S. and its allies about how to trade with the East remain. The Reagan team has never had a single view on this. However, experience of two years in office has narrowed the debate somewhat. Economic warfare against the Soviet Union is not an option, if it ever was, Mr Richard Perle, the key foreign security adviser in the Defence Department, insists.

Nor is it true, Mr Perle says, that the U.S. welcomes anything that weakens the Soviet economy. "We would, for instance, be pleased to see growth in Soviet consumer goods because this might shift resources from the military sector."

The U.S. view remains that, even if the West does nothing to sharpen the guns, a bitter dilemma, it should not blunt it (by, for instance, paying hard currency for Soviet gas).

In a sense, the Reagan Administration has slightly scaled down the scope of the anti-Soviet trade sanctions it inherited. After the invasion of Afghanistan, Mr Carter

blocked the U.S. sale of steel and aluminium plants to the Soviet Union, and tried, unsuccessfully, to get his allies to follow suit. They saw denial of such basic industrial plant as a form of general economic warfare.

Mr Reagan has also had to recognise the unpopularity—among U.S. companies as well

U.S. national export controls

as allies—of economic sanctions for "foreign policy" reasons, as opposed to "national security" grounds. The exception has been sanctions imposed directly on Poland. The reason is that the measures—freezing export credit and debt rescheduling—affected governments solely, were applied uniformly by Nato allies and seemed a fitting answer to General Jaruzelski's martial law.

By contrast, the Siberian pipeline sanctions seemed spurious, got no Nato support and hit U.S. companies. Last in the loud European outcry, the U.S. Chamber of Commerce, the National Association of Manufacturers and influential Republican senators with ties to big business, also came out publicly against the sanctions.

Mr Reagan has in addition conceded the desirability of favouring those East European countries which differ domestically (Hungary) or in foreign policy (Romania) from the Soviet Union.

Lombard

Sterling silence far from golden

By Samuel Brittan

THE BRITISH Government's expressed attitude to sterling, if attitude it can be called, can be summed up in the following two mutually contradictory propositions, which are often enunciated:

1. There is no target for sterling—in some formulations not even a policy for the exchange rate.

2. Devaluations do not work. The gains are soon eroded and the only effect is more inflation.

Neither proposition correctly represents official policy.

The Government has had a policy for sterling, even if not a satisfactorily defined one. That policy has been not, however, to resist all depreciation but to limit the rate of fall. Compared with its October peak of nearly 95, the trade weighted sterling index has fallen by some 11 per cent. A more realistic comparison is with the range of 88 to 92, within which sterling traded in the 12 months up to October. On that basis, the effective depreciation has been 8 to 9 per cent.

Depreciation will always be bad for inflation. In the best possible case, it will make the rate of decline in inflation less than it would otherwise be. But there is no answer valid for all time to the question "Just how bad is a devaluation of a given amount?" or "Are there any compensating benefits for output and employment?" Everything depends on the state of the domestic economy, the movement of world prices and the size of devaluation involved. It also depends very crucially on beliefs and expectations about the policy regime in operation.

The basic mistake of Labour's programme is to try to use a combination of demand management and sterling depreciation, not merely to ease the economy out of disequilibrium, but to try to eliminate the very high underlying level of unemployment which has developed in recent years, and would be here even with normal economic recovery. Some blot of the unwisdom of this attempt is given even by the beloved Treasury model simulation published by the Labour Party along with its programme. This showed, on the assumption of no

effective restraint on incomes, inflation rising rapidly towards 20 per cent and the annual balance of payments deficit exceeding £20bn within a few years. The latter could not of course persist. It is a coded way of saying: "still more inflation and depreciation than is reflected in our printout."

These counter-productive consequences need not follow a moderate depreciation averaging say the 4 per cent per annum rate once suggested by CBI economists. Actual exchange rate movements are always much more jerky than in any economist's blueprint. Assuming that the CBI projection was meant to apply from the beginning of 1982, we have already had the amount of depreciation envisaged for the whole period up to and beyond the end of 1983. The Bank of England is quite right to try to limit any further fall, even if this means higher short-term interest rates.

Much more important than any conceivable shortcoming in interest rate policy or intervention tactics is a lack of coherent statement of official medium-term intentions.

We risk losing the potential benefits of moderate and gradual devaluation because it has come like a thief in the night—and for all any industrialist knows—may disappear in the same way. A statement of intentions, provided it was backed by appropriate action, would not only provide some assurance that the Government would try to prevent sterling bouncing up again. It would also reduce the downside risk by giving a broad idea of the amount of depreciation acceptable over a period.

The continuation of wage moderation depends on the belief (however inarticulate) among both employers and unions that the tolerable fall in sterling is limited and will not be enough to finance any escalation of wage settlements. The market does not need to be told that the Government may fall in its intentions and sterling move outside the desired range. But the possible failure of all human endeavour is not a reason for reliance on what policy makers are at least trying to achieve.

Letters to the Editor

One way to put summit meetings on a proper footing

From the Director, Royal Institute of International Affairs—
Sir, — Your New Year editorial (January 4) on summit meetings was timely and well informed but omitted a vital part of the argument—namely the time factor. In two days, a good deal of which is taken up with formal junking, Press conferences and the like, it is virtually impossible to cover all the major issues before the heads of government, let alone deal with these in depth. Political leaders are understandably reluctant to be

away from their desks for long and the travelling involved is time-consuming and exhausting for the whole party (not least the White House Press Staff, which notoriously loathes going abroad). But until at least another day is added on to the time allowed for these meetings they will continue to be superficial.

The case for this extension is further strengthened by another important fact which you do not mention, that is the widening of the conferences that has taken place in the last two years. They have now

become political as well as economic summits. This change was bound to take place given the interdependence of economic and political matters on the world scene and we should be glad of it. But unless more time can be found, no process of de-bureaucratization will really be enough to put these essential meetings on a proper footing.

David Watt.
The Royal Institute of International Affairs,
Chatham House,
10, St James's Square, SW1.

A knowledge of life

From the Executive Director, European Banking Company

Sir,—Samuel Brittan (January 6) may well prefer as Governor someone "self reliant and assured" on monetary policy—and Eddie George's day may yet come—but there are those of us throughout the City who are delighted that the new Governor knows plenty about life besides monetary theory and practice.

N. R. Balfour, MEP,
European Banking Company,
150, Leadenhall Street, EC3

Socialbility

From Mr S. Peters

Sir,—I was interested in David Marsh's article "This timorous new TV world" (December 29) but would disagree on many points.

Most fundamentally, I would disagree with his argument that improved communications were only likely to lead people to "switch on the entertainment machine." He overlooks the fact that the best communications coming from "foreignable" future are going to lack many of the qualities which human beings seek when they socialise: smell, touch, human warmth and comfort. Undoubtedly people will meet (that is personally meet) in different circumstances to now; but I have little doubt that they will continue to do so.

Why talk about any "academic subjects" when you can read the book? (I wonder what Gutenberg's opponents said?) Why go and see friends when you have a telephone? Why meet people in the street when you can take the car? I think the difference between yesterday's and tomorrow's advances is quantitative not qualitative.

I believe human beings are (quite) sociable. I think we will find the travel industry will blossom as never before: people will be able to go out when they want to, rather than because they have to.

I disagree also with his jaundiced view of the present consequences of the electronics revolution. I probably hate TV games more than most; but I was disappointed to see the Financial Times criticising them for not satisfying any "meaningful" need. Why should government and industry decide the "meaningfulness" of our "needs."

Stephen Peters,
1 Goodwood Road,
Leicester.

Responsibility for sick pay benefits the Exchequer

From Mr M. Copleston

Sir,—The transfer of responsibility for payment of benefits from the state to the employer makes, as far as the Government is concerned, very good sense.

Mr Pritchard (December 18) has been beguiled into believing that the Social Security and Housing Benefits Act 1982 will reduce Department of Health and Social Security administration costs with no corresponding increase in cost to industry.

The immediate benefit to the Government will be a considerable reduction in the public sector borrowing requirement caused by the delay in recovery of statutory sick pay payments made by employing organisations. In practice there is likely to be an element of SSP which will never be recovered; this will particularly apply to the smaller employer. The inclusion of SSP into the general tax net will also bring a return to the Exchequer.

Industry payroll calculations for SSP are additional to and in no way replace existing occupational sick pay mechanisms. Indeed with the paucity of unnecessary controls and over procedures for state sickness benefit, for which employers will still need to maintain existing systems, it may take longer than the present processing of state sickness benefit claims by the DHSS. The DHSS may come to supply readers with an administrative cost per SSB claim on which it has based estimated savings.

The logic of transfer of responsibility is unquestionably sound; there was a unique opportunity to simplify and streamline procedures. The DHSS, either in a desperate act of self-preservation or because of total commercial ignorance, has missed the opportunity and has dealt in-

dustry a severe blow. How severe will become apparent in the next four weeks, after which, quite simply, employers will have to pay out SSP, whether or not they have systems installed to effect recovery. Those systems reflecting DHSS methods developed over the past 30 years, whether computerised or manual, will be a burden.

M. D. Copleston,
PO Box 1, Silvertown, Exeter,
Devon.

From the Regional Chairman (Devon) National Federation of Self Employed and Small Businesses

Sir,—Various letters recently seem to have totally missed the point of much of the concern expressed regarding the introduction of Statutory Sick Pay next April.

Everyone knows the Government's reason for introducing this new legislation and I think all would agree that bringing payments of benefits within the tax system and at the same time trying to reduce the number of civil servants is a worthy cause. Sadly, from the small businessman's point of view the lead of administrative work is now squarely placed on his shoulders. Not only do employers now have to keep comprehensive records regarding all absences, whether within the qualifying structure or not they will also have to work out the sick pay that is payable each time a claim is made, due to the three rate structure that is proposed. Any one with any knowledge of a small business at all will be quite aware that the majority of rules and regulations already imposed upon employers (who may have merely one or two employees) are already sufficient to deter further expansion of their businesses. L. Pritchard (December 18) also states that

suggestions of prospects for workers with poor health "will be lessened or misleading" in itself misleading. There is no doubt whatsoever, that under the new legislation employers will be very wary of new employees who have a poor attendance record through perhaps ill health, a very active but sedentary career sporting career and many other categories. No, the idea of SSP was correct but the implementation method very suspect and one that in my opinion the Government will come to regret.

A word on the numbers of civil servants: the original intention was to cut the Department of Health and Social Security by 5,000 after the introduction of SSP, this was later amended to 3,000 when repayment to employers had to be conceded. What no-one seems to have yet appreciated is that as the Government has chosen to bring in a three-week waiting period for every individual sickness period, there will never be more than three days paid in any first week of sickness to any person (assuming a six day working week). Knowing that the very highest rate of SSP is paid to anyone (single or family man) how can anyone hope to survive on £18.50? The only answer of course is that they will have to appeal to the DHSS for the only other benefit then available for them to live on, supplementary benefit, means tested benefit. So, in my opinion, every sickness benefit claim dealt with by any employer not paying sickness benefit of his own (and this is the majority of cases in the small sector) will end up back at the very place where civil servants have just been cut back.

I. L. Handford,
71 Park Road,
St Marychurch,
Torquay, Devon.

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JANUARY 1983

HOSTILITY GROWS TO SECOND PHASE OF ECONOMIC MEASURES

Problems mount for Fanfani

BY JAMES BUXTON IN ROME

AGAINST a troubled political background and signs of social tension, the Italian Parliament will this week begin debating the Government's package of economic measures, the second stage of which was introduced at the weekend.

The measures - a combination of tax and tariff increases and cuts in health and social security spending - are expected to reduce this year's projected public sector deficit by about L1,200bn, in an attempt to keep it down to L71,000bn (\$52.5bn), the same level as it reached last year.

But the measures, though clearly foreshadowed when the Government of Sig Amintore Fanfani was formed last year, have aroused considerable unpopularity.

Last Friday a wave of small but unofficial protests by trade unionists temporarily closed stations, roads and airports all over the country, and riot police were needed to clear a small demonstration outside Rome's Palazzo Chigi, the official residence of the Prime Minister.

The alarming state of the Government's finances was emphasised at the weekend when Sig Giovanni Goria, the Treasury Minister, obtained Cabinet approval for a parliamentary Bill requiring the Bank of Italy, the central bank, to advance up to L5,000bn to the Government for a year.

This has been made necessary since the Treasury has exceeded its legal limit of borrowing up to 14 per cent of its monthly spending from the central bank. Its cash crisis has been caused by its failure to sell enough Treasury bills last November and by deficient tax revenues.

The provisions decided by the Cabinet late on Friday night involve increased health and prescription charges and cuts in some social security benefits. The Government also decided to introduce its promised but controversial "once-and-for-all" tax. Instead of the original proposal for a special income tax to raise more than L5,000bn, however, the

Cabinet decided to impose only an additional levy on the existing tax on businesses and farms, to raise a more modest L2,000bn.

Unlike the other fiscal measures, which are imposed by a decree subject to parliamentary ratification within two months, the once-and-for-all tax is to be only a Bill which will have to make its way through Parliament in the normal way.

This is one of several concessions which the Government decided to make after the hostile reception to the first part of its package, which will raise nearly L7,000bn through higher income tax, a tax on property, higher fares for public transport, a special 15 per cent levy on sales of television sets, video recorders and hi-fi equipment, and other provisions.

Although the measures were criticised even by some members of the four-party coalition, the main opposition has come from the Communist Party, which has been accused of being behind the disruptive de-

monstrations last Friday.

Those demonstrations intensely embarrassed the official trade union organisation, particularly the non-Communist CISL and UIL unions. In an eight-hour meeting on Saturday they succeeded in persuading the partly Communist CGIL union not to back further demonstrations, for fear of prejudicing concessions which the unions have obtained from the Fanfani Government. They are also reluctant to back a protest movement which they fear could lead to humiliating defeat.

Instead they decided to hold two hours of general strikes staggered over this week which will be devoted to union meetings in factories to criticise the measures. An eight-hour strike in industry is to be held on January 18, but this is directed not against the Government but against the Confindustria employers' association, with whom the unions are negotiating the reform of the *Scala Mobile* wage indexation system.

Thatcher visit angers Argentina

By Hugh O'Shaughnessy and David Tonge in London

MRS Margaret Thatcher, the British Prime Minister, completed a heavy schedule of engagements in the Falkland Islands yesterday, the first full day of her surprise visit to the colony, as the Argentine government, taken aback by her action, sought to mount a diplomatic riposte.

Dr Juan Aguirre Lasuri, said the Argentine Foreign Minister, said the visit was "a new act of provocation and arrogance" and that it "underlines the only title Britain possesses to the Islands - that of force."

Dr Aguirre, who was clearly surprised by Mrs Thatcher's secret flight to the Falklands, was speaking in Caracas on his way to Managua, the capital of Nicaragua, for a meeting of the non-aligned movement. He had for some time been planning to launch a new diplomatic offensive there against Britain over the Falklands question.

The 96 countries of the non-aligned movement are preparing for a summit in New Delhi in March, at which Britain's friends and Argentina will be renewing their battle for world opinion.

On November 4 Argentina won 80 countries' support at the United Nations General Assembly for a resolution calling for talks between the two countries. Only 12 countries backed Britain, and 52 abstained.

Mrs Thatcher, who insists on the "blood and treasure" Britain has spent over the Falklands, has been refusing to consider negotiations with the Argentines over the sovereignty of the islands. Yesterday her office in London said that it was too early to say whether her visit would lead to any reappraisal of British policy, though few of her supporters expect any change before the next general election.

Reaction was slow to come in Buenos Aires itself, where the Government of General Reynaldo Bignone is facing growing financial difficulties and rising civilian unrest. Many ministers are, in any case, on their summer holidays. Mrs Thatcher's agenda yesterday included a visit to the Royal Air Force base at Port Stanley, a call on the ships in Stanley Harbour which provide accommodation for men of the British garrison, an inspection by helicopter of an unclaimed Argentine minefield, lunch with members of the Islands' Executive and Legislative Councils, and attendance at a reception at Stanley Cathedral.

Her visit was "thrilling and unexpected" she was reported as saying. Her reception was warm and excited from the 1,800 islanders, and was seen as a boost to the morale of the British servicemen.

Her 22-hour journey - which included two mid-air refuellings of her RAF Hercules between Ascension and Stanley - took the islanders unaware, particularly after the cancellation of celebrations, scheduled for last Monday, of the 150th anniversary of the expedition of the Argentine by the British Royal Navy in 1832. Mrs Thatcher had been expected to attend those celebrations.

John Hunt said: Mrs Thatcher's visit to the Falklands is seen by the opposition Labour Party as an attempt to defuse any criticism of her handling of the Falklands crisis which could be contained in the Falklands report to be published within the next few weeks.

Mr Stanley Clinton Davis, one of Labour's parliamentary spokesmen on foreign affairs, said yesterday that she hoped to divert attention from the costs of the Falklands operation and from Government inactivity preceding the Argentine invasion.

Mr Bush's trip, which will take in Bonn, Brussels, The Hague, Rome, Paris and London, as well as the Vatican and Geneva, where Mr Bush will address the committee on disarmament, seems designed mainly to give the Administration a clear idea of how far it can rely on European backing for existing arms control policies and to discover what, if any, would be the minimum modification required to preserve a united front in Nato.

non-aggression pact between the Warsaw Pact and Nato, President Reagan badly needs to regain the initiative in Europe.

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Continued from Page 1

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THE LEX COLUMN

Queuing up for the sales

The queuing system used by the Bank of England to control the issue of both equity and fixed-interest securities is a unique feature of London's capital markets and one which over the years has well served the providers and takers of capital, not to mention the intermediaries.

Even the best-olled machinery needs the occasional overhaul, however, and the equity model has just emerged from a full service with minor modifications. In future, it should be possible for more than one medium-sized rights issue, of perhaps £20m, to be announced on a single day. Similarly, there will probably not now be any bar to a small rights issue, of up to £10m, being brought on the day of the issuer's choice. The authorities have accepted that, in normal circumstances, the underwriting market should be able to absorb £200m of rights issue money in a week.

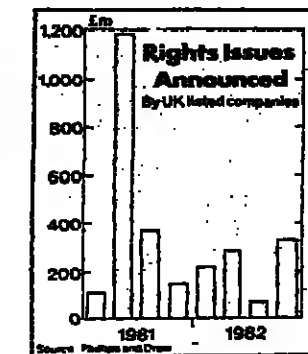
Adjustments

These are sensible adjustments. Inflation has made the previous guidelines look too modest, while the underwriting pool has been enlarged by the recent prevalence of wide discounts on rights issues. Overall, the machinery emerges with a clean bill of health. In a letter to the Government Brokers, the Issuing Houses Association writes that "a queue system, both for equity and fixed interest issues, is essential and is helpful for the maintenance of an orderly market."

The case for a queue is, however, very much more clear-cut in the case of the equity market than it is with fixed interest. In normal circumstances, a company should be able to notify the authorities of its intention to issue equity well in advance. Increasingly, rights issue announcements coincide with the publication of interim or preliminary statements, giving shareholders the best opportunity to judge the merits of the issue.

In fixed interest, however, market timing demands rather more finesse. Quite apart from the absence of formal listing constraints, the finance director knows that the company on his fixed-interest stocks will stare out of his balance sheet until redemption, whereas the price at which equity was raised will disappear immediately.

Yet it was partly the timidity of finance directors that caused the recent review of procedures in the equity queue. For much of last year - not a heavy one for rights issues as the chart shows - the queue was encumbered with issuers who, at the last minute, sniffed the air and



dropped out. The new arrangements are designed to accommodate the defaulter without stopping the genuine last-minute applicant.

There is an obvious risk that the practice of dropping out will be even more prevalent in the corporate bond market and that, in order to be sure of raising capital if the market just happens to look right on the allotted day, the Bank will be deluged with half-serious applications.

Already, it appears that foreign issuers of "bulldog" bonds are being held out of the market to make way for domestic corporate names which, since the gilt-edged market peaked in mid-November, have been conspicuous by their absence.

The Bank of England is rightly concerned that a measure of control should be asserted over the domestic fixed-interest market in order to prevent the sudden alternation between feast and famine which has become a common feature of the Euromarkets. A rush of issues on a day when gilt-edged market has peaked can cause chronic indigestion, particularly if the market then reverses, and may ruin investors' appetites for weeks.

The danger of overcrowding in the domestic market may, however, be rather smaller than in the international market. The list of potential borrowers is shorter and the buyers of capital are used to absorbing large quantities of paper through their long experience of the gilt-edged market. Moreover, there is currently less chance of temporary overcrowding by the Government, which is funding a more modest Public Sector Borrowing Requirement to a great degree through the sale of index-linked securities and National Savings. Its increasing resort to the top stock also reduces the risk of a sudden overkill.

The Bank should, however, reserve the right to hold up an issue if it sees serious congestion looming. By a happy coincidence, this would be both in its own interest, as the

supplier of government stock, and in the interests of underwriters, who otherwise risk being saddled with a mountain of paper.

Yet that is a slightly different proposition from the queuing system as presently constructed. The Bank has certainly done its level best to make the queue as flexible as it can and has encouraged experimentation in the fixed-interest market. It has, indeed, led by its own example of rinning the changes in public debt funding. The corporate bond market serves a clear monetary purpose and prospective borrowers are let to at short notice whenever possible.

But given the understandable sensitivity of finance directors about the timing of their plunge, it is rather anomalous that a company should be expected to announce its intentions well in advance if, on the great day, the market may look attractive before lunch and too expensive afterwards.

It could look even odder if the U.S. practice of shelf registration becomes common in this country. The idea, discussed at length in a recent paper by stockbrokers W. Greenwell, has the implicit endorsement of the Bank of England. It would enable companies to average the cost of their long-term debt by issuing parcels of the same security over a period at varying prices, a technique already used extensively by the Government Broker.

Apprehension

It could also make the fixed-interest market a more regular vehicle for corporate funding and so reduce the considerable apprehension which finance directors feel about committing themselves to a fledgling market at one fell swoop. Finally, as the documentation would all have been prepared when the securities were registered, capital could be raised at extremely short notice.

The queue is by no means the most serious obstacle to shelf registration. A more thorny problem is the fiscal treatment - though except in the case of deeply discounted issues this may not be as inhibitive as the Greenwell paper suggests.

The principle of shelf registration would probably work best if details of the securities were made public well in advance and if, subsequently, the Bank confined its role to the ringing of alarm bells when a large Government stock was imminent or when it felt the market was becoming seriously overcrowded. The decision on timing could then be left, in most instances, to the market alone.

Renault to lay off 10,000 in pay row

By David Housego in Paris

MORE THAN 10,000 workers at Renault's major Flins car manufacturing plant outside Paris are to be laid off indefinitely from today as the result of a strike by about 100 paintshop workers which poses a threat to the government's pay guidelines.

The strike, which began last Thursday, reduced production of Renault 5 and 18 models to 400 units on Friday from a normal daily average of over 1,800. The paint shop workers have been demanding a regrading of job classifications, an additional FF300 (\$45) monthly bonus, and new hardship allowances which management say, could add almost 30 per cent to their salaries.

Negotiations at the weekend failed to produce an end to the conflict. The plant employs some 18,000 workers.

The company has called the demands "exorbitant." It is in no position to meet substantial new wage claims after making losses of nearly FF1bn in the first half of 1982. This followed a FF1.67bn loss in 1981.

Flins was also the scene of a month long strike in April last year, which marked the first major industrial unrest since the Socialist Government faced after taking office in May 1981.

Disputes at major car plants have wider repercussions on the economy, however, because of the national importance of the automobile industry. One in 10 French workers are employed by it.

Unlike last April's strike where discontent was concentrated amongst immigrant workers, the unrest in the paintshop has affected both immigrant and French workers. The pro-Socialist CFTD union has been the most active in leading the strike.

U.S. car imports, Page 3; UK imports record, Page 5

ECU clearing system plan

Continued from Page 1

"bank", as a possible location for the ECU settlement account. Most members apparently think that the fund is too underdeveloped and vulnerable to political change to be suitable.

One of the main official functions of the ECU - as distinct from its private use - is as the denominator for debts and credits between EMS central banks. They obtain ECUs by depositing 20 per cent of their gold and dollar reserves with the EMCF and their ECU reserves currently total about ECU 42bn.

Nimslo signs marketing deal in France to aid cash flow

BY JASON CRISP IN LONDON

NIMSLO International, the controversial 3-D camera company, which is transferring production from Scotland to Japan has signed a manufacturing and marketing agreement in France to ease its cash flow problems.

Nimslo - which raised nearly £28m (\$44.8m) in London before making a single sale - announced late on Friday that production of its cameras at the Timex factory in Dundee would cease. Timex, the watch company, has been the major supplier of Nimslo cameras to date.

But last year Nimslo placed production orders with two Japanese manufacturers, Sumpak and Richi, after a series of production problems at Dundee caused by bad labour relations.

Yesterday, Nimslo announced it had signed an agreement, subject to ratification by the board and shareholders, with the French company Sralen, giving it distribution and manufacturing rights in France and Belgium.

Sralen is a wholly owned subsidiary of Fred Olsen, the Norwegian shipping and industrial group, which owns a majority stake in Timex and also has shares in Nimslo. Nimslo has received an initial payment of FF30m (\$54.2m) from Sralen and will receive further payments of FF17.8m a year for the next 14 years. Nimslo has an option to repurchase the franchise.

Mr Graham Dowson, deputy chairman of Nimslo International, said: "The cash-flow problems which naturally arose from the severe supply difficulties have been offset as a result of financial agreements made in connection with (the) new licensing agreement."

A company statement said the agreement with Sralen was "quite separate to and in addition to any other deal involving the French Government providing Nimslo with substantial backing for research and development. Fred Olsen was then planning to take over a Timex subsidiary at Besençon, to manufacture the cameras.

The Nimslo 3-D camera is on sale in 37 states in the U.S. The camera was first launched in Florida in March last year and the company claims to have sold 100,000 at about \$240 each.

Nimslo said Dundee had failed badly to meet its production target of 220,000 units a year. Timex also makes cameras in the U.S. at Little Rock, Arkansas. Under the new production arrangements Nimslo plans to supply all the U.S. by the summer and to bring forward the European launch of the camera.

First shipments to Europe are now expected in March and the camera will be simultaneously launched in the UK, France and Belgium. Mr Dowson said that the *low-cost* production costs were lower than would lead to a lower retail price.

Mr Dowson said Nimslo's financial results for the year ending 31 December 1982 would be "broadly in line with those achieved at the half year."

Moetary Fund and a new loan from foreign commercial banks of \$5bn.

The inter-bank deposits are excluded from Mexico's moratorium on the repayment of principal on \$90bn of public-sector debt. Sr Gurria said about \$4.7bn of the \$5bn had so far been committed by banks and Mexico hoped to draw the first tranche of \$1.7bn soon.

U.S. regional banks and some Japanese, Arab and Latin American banks had not yet committed their portion of the loan, he said.

On the contentious issue of the private-sector interest arrears of about \$1bn, Sr Gurria said the Bank of Mexico would pay off 10 per cent of the arrears at the end of January. But he did not expect much of the balance to be repaid after January unless there was a marked improvement in the Mexican economy.

He said most of the arrears for the period August 1, 1982 to January 31, 1983 would have to be refinanced in the last quarter of this year.

The Government set up a scheme two weeks ago to try to satisfy its foreign creditors, who have been demanding that past due interest be brought up-to-date. The problem of arrears has been a headache for U.S. banks in particular, since the arrears posed debt reclassification problems.

Although most of the arrears will not in fact be paid off, classification is apparently no longer a problem, because the U.S. regulators have accepted that the scheme effectively means that the private-sector loans are being serviced.

Private companies under the scheme have started to pay interest due in pesos to the Bank of Mexico which will then convert them into dollar obligations of its own to the lending banks.

Venezuela refinancing, Page 15

Mexican inter-bank deposits up

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO, battling with an acute liquidity crisis, is beginning to attract new short-term inter-bank deposits after suffering a period of hemorrhage, Sr Angel Gurria, the Government's General of Credit, said yesterday.

Sr Gurria said that this marked the reversal of the trend which started in August and September when about \$500m of inter-bank loans held by Mexican banks were called in by foreign banks nervous about the country's situation.

He confirmed that inter-bank deposits now stood at about \$6.5bn. In December several of the leading recently nationalised banks, like Bancomer and Banamex, rolled over all their lines and received fresh money amounting to about 10 per cent of their exposure.

Maintaining the level of inter-bank deposits is the key element in Mexico's international financial rescue package, which includes a \$3.9bn credit from the International

Tricontrol set to buy major stakes

BY CARLA RAPOPORT IN LONDON

TRICENTROL, the UK-based independent oil group, is expected to announce the purchase of major stakes in two oil exploration ventures this week.

The larger of the two, which will involve a substantial drilling schedule and a sizeable capital commitment from Tricentrol is believed to be located in Indonesia. The smaller deal is located in the Mediterranean area.

The deals will be the latest in a string of acquisitions launched by Tricentrol since it raised £28.7m (\$45.82m) by a rights issue in September.

Last November the company bought an interest in an onshore UK exploration site from Conoco, the U.S. oil group now owned by DuPont, the large U.S. chemical company. At the same time Tricentrol agreed terms with Conoco on participation in a drilling programme off the coast of California.

Industry sources speculated at the weekend that the new deals also involve Conoco, which has substantial holdings in Indonesia.

At the time of the rights issue Mr Graham Hearne, chief executive, said about 70 per cent of Tricentrol's production was located in the UK and that it aimed to step up its diversification

West Germany. There appears no suggestion as yet that Thomson would give up importing the VHS recorders it currently obtains from JVC of Japan.

More important for the future is that the agreement opens up the possibility of the two groups jointly producing video equipment - both tape recorders and cameras - around the new 8mm standard.

Philips' distrust of the French has been weakening of late. This was shown, for example, in an agreement with CIT Alcatel, the French state-controlled telecommunications group, announced last month,

Philips-Thomson deal

Continued from Page 1

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السنة الأولى

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Monday January 10 1983

KIVETON PARK STEEL
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extrusion, sections a specialty.
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from 1/2" - 3"

Enthusiasm wanes
for Venezuela's
refinancing plans

ENTHUSIASM for Venezuela's plans to refinance some of its \$8.7bn short-term debt has begun to wane in the backwash of the Mexican, Argentine and Brazilian debt problems.

When it was first launched in October the plan met with a fairly warm response from the Euro market, not least because the terms offered for refinancing short-term debt over the medium term were considered unusually generous by banks used to Venezuela's traditional haggling over the pricing of its foreign loans.

Now, say bankers who follow the country, a more critical attitude is coming to the fore, based partly on fears that the oil price could fall further. This would hurt Venezuela hard as virtually all its export income is derived from oil.

Venezuela has also been suffering from capital flight and domestic confidence was severely enhanced by the collapse of the leading Banco de los Trabajadores late last year. Uncertainty was also heightened by the abrupt resignation last month of Sr Luis Ugueto, Finance Minister, the architect of the refinancing plan, and his replacement by Dr Arturo Sosa, a former banker.

This is not to say that Venezuela's problems are in any way as serious as those of those badly stricken neighbours, but it does mean that the refinancing programme is being viewed more critically by bank creditors and that Dr Sosa will have something of an uphill struggle pushing it through.

Last week he was in Washington for talks with Paul Volcker, the Federal Reserve Board chairman. Later this month he is expected to tour the world's financial capitals to put his case to commercial bankers.

Keeping them involved with Venezuela is vital if the country is to avoid immense cost to its reserves in paying back loans that are not refinanced.

Under the programme Venezuela

INTERNATIONAL BONDS

An auspicious start to 1983

BY ALAN FRIEDMAN IN LONDON

THE Eurodollar bond-market opens for business this morning in a rather paradoxical state: many new issues managers say the market is "fragile" or "delicately balanced" and yet it seems that last week's \$1.6bn of new paper is being absorbed, albeit slowly in some cases.

Another facet of the paradox is this: The U.S. dollar remains weak against major European currencies, the U.S. Treasury bond market is providing little in the way of leadership, and yet deals are being done and Eurobankers report a reasonably steady flow of buying.

Some of this buying can be traced to cash redemptions from insurance companies and other investors. The markets in Europe certainly can still claim to be underpinned by a bullish tone.

Nonetheless, a number of schools of thought are developing and this is making for a certain degree of uncertainty, even among those professionals whose job it is to "read the market."

At the optimistic end are those, like Mr Perry Aldred, managing director of Ross & Partners, who be-

lieve the Eurodollar sector will chalk up enough new issues this year to rival last year's record.

The optimists point out that the downward trend of interest rates remains intact. They say the dollar's weakness may soon be transformed to stability or even a gradual strengthening against other currencies. As for investor buying interest, Mr Aldred ascribes much of it to human nature. "People felt good about last year and have been encouraged to go out and take a few risks this year."

The other side of the market believes that interest rates cannot go on dropping forever and it may be time to take some profits by selling dollar bonds. Thus, some major institutional investors are pruning their portfolios and planning to sell more significant portions once discount rates have declined again.

Whichever view one takes about what is going to happen next, there can be no denying the fact that 1983 got off to an auspicious start last week in the Eurobond market. Not only was the volume high and the list of borrowers surprisingly diversified, but Credit Suisse First Boston managed to lead the epoch-making first \$1bn Euronote for Sweden.

Although the lead manager stepped in to maintain the price within a narrow range - a discount of between 1.15 and 1.05 - there were no real problems for the jumbo issue. CSFB has underwritten 25 per cent of the deal and most quarters of the market see the Sweden issue as well designed and well executed.

In particular, the "put" options, which enable noteholders to redeem after five and seven years - the final maturity is 10 years - have enlarged the net of potential investors. Aside from anything else, a \$1bn issue in the first week of January is a useful psychological boost for the market.

Among the other new issues on offer both Nova Scotia's 11 1/4 per cent 1988 paper and Continental Group's 11 1/4 per cent 1993 bonds seemed to be hindered slightly by their Single A rating. Dealers reported these issues to be trading at

1982 RATINGS

Bumper profits from fixed-rate paper

BY OUR EUROMARKETS CORRESPONDENT

IT IS an open secret in the Euro-bond market that 1982 was one of the most profitable - on record. This was not only because of record new issue volume, but also because of the revitalisation of secondary market trading as interest rates dropped during the second half of the year.

Figures just compiled by the U.S. investment house, Salomon Brothers, show just how far this sea-change benefited bondholders, particularly those working from a U.S. dollar base. For the first time since 1978 holders of fixed-rate bonds saw a greater total return (capital appreciation, plus interest plus currency gain where applicable) than those holding short-term money market instruments. Salomon's World Bond Index showed a total return of 20.2 per cent last year compared with one of only three per cent for its World Money Market Index.

More striking still is the phenomenal return available last year in fixed-rate U.S. dollar instruments, which benefited particularly from the strength of the currency on exchange markets. Fixed-rate Euro-dollar bonds offered a total return of 30.5 per cent last year. U.S. Government issues 31.3 per cent and Yankee bond issues 40.1 per cent.

Canadian government issues, too, showed high returns of 35.8 per cent because the currency depreciated by only 3.9 per cent against the U.S. dollar during the year.

By contrast the return on Euro-dollar floating-rate notes - which were 1981's market leader with a return of 20.3 per cent - looked rather lacklustre in 1982. Last year's return was only 15.2 per cent as there was no capital appreciation following the decline in interest rates.


Fixed-rate bonds in Yen, D-Marks and Swiss Francs showed even lower total returns because of the strength of the dollar, while British Government gilt-edged stock turned in a respectable return of 26.4 per cent overall.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %	Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS								SWISS FRANCES							
Commerzbank	100	1988	7	11 1/2	100	Morgan Stanley, Paribas, Yamichik, Commerzbank	11.500	Tokyo Elec. Power	200	1988	5	5 1/2	99 1/2	CS	5.994
BNCE	500	1988	9	5 1/2	100	CSFB, Soc. Gen.		Nippon Shuppan	100	1988	5 1/2	4 1/2	100	CS	4.250
Sand	1,000	1983	18	5 1/2	100	CSFB		World Bank	100	1983	18	5 1/2	100	SBC	5.500
Credit Agricole	100	1990	7	11 1/4	100	Paribas, BNP, Europe		East India	40	1988	5	5	100	CS	
Nova Scotia	100	1988	12 1/2	11 1/4	100	Morgan Stanley	11.250	JAB	120	1990	7	6 1/2	100	CS	6.125
Alfred Lyons	75	1981	8	11 1/4	100	BBS Soc.	11.750	SATS	100	1988	3	6 1/2	100	UBS	6.500
Yamichik	100	1980	7	10 1/4	100	County Bank, Samuel Montagu	11.825	Moruetan	30	1988	5	5	100	SBC	5.000
Kyowa Hoku	40	1988	15	10 1/4	100	Salomon Bros., Morgan City	10.750	Nippon Express	50	1993	18	8	100	J Henry Schroder Bank	6.800
Fairbank	100	1988	5	11 1/2	98 1/2	Yamichik Soc., B.J. Schroder Wagg		100	1993	18				UBS	5.875
Continental Group	75	1993	18	11 1/2	100	Deutsche Bank	11.637	STERLING							
						Goldman Sachs, BNP, Europe, Morgan City, Morgan Grenfell	11.500	Norsk Hydro	30	1990	7	12	99	Hambros Bank	12.220
D-MARKS								GUINEES							
Austria	200	1983	10	6 1/2	100	Deutsche Bank	6.875	Australia	200	1988	15	8 1/2	100	ABN	8.625
ESCE	150	1983	8 1/2	7 1/2	98 1/2	Deutsche Bank, Commerzbank	7.573	ECIE							
Denmark	50	1988	5	7 1/2	100	Commerzbank		Thomson-Brandt	40	1988	5	12 1/2	100	BNP, Kredietbank Int.	12.500
DNB	100	1988	7	7 1/2	100	Deutsche Bank, Dresdner Bank	7.750	Island	30	1990	7	12 1/2	100 1/2	SG Warburg, BNP, Int., Luxembourg	12.666
Mtgs. of Denmark	100	1985	10	8 1/2	98 1/2	DG Bank, West LB	8.577								

NEW ISSUE These Bonds having been sold, this announcement appears as a matter of record only. DECEMBER 1982

U.S. \$50,000,000



Republic of Iceland

12 3/4 % Bonds Due 1992

Credit Suisse First Boston Limited Hambros Bank Limited
Amro International Limited Banque Bruxelles Lambert S.A.
Citicorp Capital Markets Group Crédit Commercial de France
Manufacturers Hanover Limited The Nikko Securities Co., (Europe) Ltd.
Westdeutsche Landesbank Girozentrale PK Christiania Bank (UK) Ltd.
Scandinavian Bank Limited

Algemeene Bank Nederland N.V. Bache Halsey Stuart Shields Julius Baer International
Bank Gutzwiller, Kurz, Bueglinger (Overseas) Bank Leu International Ltd. Bank Lemni le-Israel Group
Bankhaus Gebrüder Bethmann Banque Indosuez Banque Paribas Banque Privée de Gestion Financière
Banque Worms Bayerische Hypotheken- und Wechsel-Bank Bergen Bank International S.A.
Blyth Eastman Paine Webber Cazenove & Co. Chase Manhattan Capital Markets Group
Chemical Bank International Group CIBC Clariden Bank Continental Illinois Capital Markets Group
County Bank Crédit Lyonnais Crédit du Nord Credit Suisse First Boston (Asia) Creditanstalt-Bankverein
Daiwa Europe Delbrück & Co. Den Danske Bank Den norske Creditbank Deutsche Girozentrale
Dresdner Bank Effectenbank-Warburg Enskilda Securities Deutsche Kommunalbank
Girozentrale und Bank der Österreichischen Sparkassen Goldman Sachs International Corp. Fuji International Finance
Hessische Landesbank Hill Samuel & Co. E. F. Hutton International Inc.
Kansallis International Bank S.A. Kleinwort, Benson Lazard Frères & Cie London & Continental Bankers
LTCB International Merrill Lynch International & Co. Mitsubishi Bank (Europe) S.A.
Samuel Montagu & Co. Morgan Guaranty Ltd. Nomura International Norddeutsche Landesbank
Piersea, Heldring & Pierson N.V. Schröder, Münchmeyer, Menges & Co. J. Henry Schroder Wagg & Co.
Société Générale Société Générale de Banque S.A. Sparebanken Oslo Akershus Sparbankernas Bank
Svenska Handelsbanken Group Swiss Bank Corporation International Vereins- und Westbank
S. G. Warburg & Co. Ltd. Williams & Glyn's Bank plc Wood Gundy Yamaichi International (Europe)


NEW ISSUE These Bonds having been sold, this announcement appears as a matter of record only. JANUARY 1983

U.S. \$100,000,000

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(Incorporated with limited liability in Belgium)

Payable as to 20 per cent. on 6th January, 1983 and as to 80 per cent. on 6th July, 1983

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Market waits for the budget and Volcker's testimony

President Reagan is due to address the nation during the last week of the month and present the budget at the very end of January. The market will be looking keenly at the budget. Dr Griggs is speculating that the Administration may well bring out a budget it

By the time Mr Volcker speaks, the market should be swinging again—one way or the other.

Paul Betts

International Muller sees loss

Substantially increased provisions for reorganisation costs would be partially offset by an extraordinary tax gain, said the company. Despite current setbacks, it maintained that reorganisation measures would be reflected in improved 1983 results.

AP-DJ

IN AN unprecedented move, the Ontario Government has taken control of C\$2bn (US\$1.6bn) of assets in three Canadian trust companies to protect depositors' interests.

The three companies—Gruen Trust, the 12th largest trust company in the country and Cymrak Trust and Seaway Trust—two smaller ones—have been the subject of a government inquiry into their role in financing a series of transactions involving 11,000 apartments formerly owned by International Trust Co. of Canada developer, Cadillac Fairview, controlled by Charles and Edgar Bronfman.

Using emergency legislation rushed through the Ontario legislature just before Christmas, the provincial government, on January 1, ordered its registrar of loan and trust companies to take control of the three companies. Trust companies are deposit takers and must adhere in the residential mortgage market to the same

Dr Robert Elgie, Minister of Consumer and Commercial Relations, said the move had been

C\$2bn of assets taken over to protect depositors: **Nicholas Hirst** reports

Ontario steps in at three trust companies

C\$2bn of assets taken over to protect depositors: Nicholas Hirst reports

taken in consultation with the Canada Deposit Insurance Corporation, a federal body which provides guarantees for depositors' money invested in trust and loan companies.

In each case, Dr Elgie said, "using the emergency legislation, the act would be in practice of, or a state of, affairs within the corporation that is or may be prejudicial to the public interest or to the interests of the corporation's depositors, creditors or shareholders."

The act would be used by the government, which was described as a "truly Dracoman measure" by Mr Wallis King, a financial consultant representing the preferred shareholders in Crown Trust.

● Limiting withdrawals by depositors to C\$20,000 per class of investment.

● Providing alternative sources of funds to the companies through the Canada Deposit Insurance Corporation.

● Installing a group of experienced businessmen to run the trusts.

● Ordering an examination of

The company's assets by accountants Touche Ross and the Clarkson Company.

The measures follow three months of controversy and revelations concerning the trust company that has rocked the Canadian financial community and put intense pressure on the Conservative-controlled Ontario legislature.

The slowing of growth in the housing market has pushed the industry increasingly into financial straits, threatening large-scale property development.

Events surrounding the sale of the Cadillac Fairview properties have served to highlight increasing concern over conflicts of interest between the owners of the trust companies and their developers.

Cadillac, which has been disposing of properties in line with its policy of withdrawing from the residential market, initially sold the 11,000 apartments to Greymark Ltd., a company controlled by Leonard Rosenberg, a Canadian entrepreneur.

On November 10, Dr. Elgic disclosed that these apartments

had, in turn, been sold to private companies, said to be controlled by Saudi Arabian investors, who had paid C\$500m. Full details of ownership and other matters concerning these companies are not about to be disclosed under Ontario law.

During these transactions, Seaway Trust advanced C\$76m, Crown Trust C\$58m, and Greymay Trust C\$20m in mortgages. Greymay Trust is wholly owned by Michael Gaidi, Mr. Rosenberg's wife, and Greymay Trust's mortgage is the company's maximum credit granted control of the old established Crown Trust last year. Mr. Rosenberg indicated to merge his much smaller Greymay Trust with Crown Trust, but the completion has been prevented by this Ontario Securities Commission, which has complained of a lack of financial disclosure.

Concern has grown that this former financial empire, with subsidiaries in many foreign countries may not be worth what the Saudi Arabians are said to have paid for them and that, consequently, there may not be sufficient assets to back up the mortgages.

"Recent events involving the

mortgaging of some 11,000 apartment units have given rise to questions about the lending practices of the three trust companies," Dr Egiele said.

The investigations into the company's assets are intended to be completed within two to three weeks, but opposition leaders are complaining that the government did not act soon enough.

"The warning signals have been flashing for some time," Mr David Peterson, the Ontario Liberal leader, said. "In the past, we have been brought to the Minister's attention case after case where these companies have been involved in transactions that were in apparent violation of the Loan and Investment Corporations Act."

Trust companies can either be registered federally or with provincial authorities. The Federal Government has produced a draft act and a discussion paper designed to eliminate possible conflicts of interest between trust companies' owners, estate money they manage and depositors. Legislation, however, has still to be tabled.

Chairman at Anglo American Corporation

Mr. G. W. H. Relly has been selected chairman of ANGLCO AMERICAN CORPORATION. He is the third chairman of the corporation which, in its first year of operation, its appointment follows the retirement of Mr. H. F. Oppenheimer from the chair after 22 years and from the board after 40 years. Rely has been a deputy chairman since May 1977 and succeeded Mr. Oppenheimer as chairman of the company in January, November 1978. He is chairman of Anglo American Industrial Corporation and AECI and a director of De Beers Ltd., Minorco and Keith Cartwright as deputy chairman but will stay on the board, while Mr. J. Ogilvie Thompson and Mr. M. J. Black also became directors. Mr. H. R. Slack also became a director, and he is a director of Minorco and Frank C. Carlincci, deputy secretary of defense, has joined SEARS WORLD TRADE, INC., Sears Roebuck subsidiary which will act as president and chief operating officer. Will

● based in Washington. Mr John F. Waddle, previously Sears World Trade president becomes managing director of the new company and continues as a member of Sears World Trade, Inc. corporate office.

● R. W. Preston has been named director and vice president of JAMES FINLAY INTERNATIONAL INC. Mr A. R. McKay has been appointed JAMES FINLAY & CO. (U.S.) INC.


● Mr John W. Franklin, Jr., has been named senior vice-president of RUSSELL REYNOLDS ASSOCIATES INC. New York-based international executive recruiting company. He remains manager of the Washington office.

● COMMODORE INTERNATIONAL has appointed Mr Lloyd A. Taylor vice-president and general manager. Commodoro's semi-conductor division. Before joining Commodoro, he was group vice-president of Northern Telecom, a major Canadian technology, Bell-Northern Research.

● Mr W. T. Peart, and Mr D. E. Walker have been appointed directors of Perth Holdings, Perth, W. Australia.

● Mr Robert L. Hull has been named to head the corporate sales group for the INDUSTRIAL UNITROL

INTERNATIONAL APPOINTMENTS



**Mr Robert L. Hull,
CBI Industries Inc**

succeeds senior vice-president Mr Cecil A. Wooten, who has elected to retire in April. Mr Hull, is now responsible for the company's human resources, facilities services, and public relations and advertising departments, as well as its Washington office. He will remain at the general offices in Chicago. ● COLUMBIA CHASE CORP. has appointed Mr John Warwyld to the vice-presidency of its MuniSeal division, New York. He has served as operational

manager for this division for the past five years and before that as technical services manager.

David M. Lonsdale has been named general manager MCAUTO NORDIC AB, Stockholm, a subsidiary of the MCAUTO Douglas Corporation, Canby, Ore., which in 1982, which markets MCAUTO's CAD/CAM services throughout Sweden, Denmark, Norway and Finland.

Mr. Lonsdale, who previously becomes general manager of MCAUTO Benelux, replacing Mr. Lonsdale.

JOHN MASON MINES has made Mr. Clifford H. Frame president and chief operating officer. The post of president had been held by Mr. Steven J. Roman, who remains chairman of the company. Mr. Frame was president of mining operations.

BANKERS TRUST of New York has named Mr. F. B. Fogel as president, as representative in Athens. He takes over from Mr. Constantine N. Canovis, vice president, who has been named to New York.

ORION ROYAL BANK, International merchant bank of The Royal Bank of Canada Group, has named Mr. Charles Haugard as president. Mr. Charles Haugard has been promoted from associate director to director (non-executive) based in New York, the chairman of the board.

from manager to associate director; Mr. Ian Armauer, Mr. Ian Birrell, Mr. Ray Butler, Mr. John C. Dwyer, Mr. Robert W. Laughlin, Mr. Stephen Mills, Mr. Patrick Norrish, Mr. Hugh Oddele and Mr. Stuart Payne.

Dr. Alfred Wiederkehr has been named president of Moeller & Co., chairman of CHEMAP and PROCESS ENGINEERING COMPANY both of Macneadort, Scotland.

Mr. Robert H. Kenmore has joined CROCKER BANK, San Francisco, as senior vice-president and head of its finance group in the merchant banking division.

Mr. John H. Lollar has been named president and chief executive officer of AMERICAN OILFIELD EXPLORATION COMPANY, Houston, the exploration and production subsidiary of Transco Energy Company, which was previously executive vice-president, operations of Gulf Resources and Chemical Corp. where he was responsible for all international operations.

PHIBRO-BANK, a member of the Phibro-Salomon Group, has appointed Mr. Charles T. V. Arentschick as general manager, New York City, and Mr. Daniel Nordmann as deputy manager, and Mr. Markus Frei as assistant manager.

Mr. William J. Field Systems has appointed Mr. Howard

Rhodes president of its American subsidiary.

● **PRIZELS INC.** This follows the recent decision to appoint Mr John Walbeoff-Wilson as the first full-time managing director of American Oil Field Systems.

● **THE STANLEY WORKS.** Connecticut, has appointed Mr Bennett Lord president and general manager of the band and musical instrument life succeeds Mr John A. Harrgreaves, who is returning to the U.S. Succeeding Mr Lord as managing director is Mr Geoffrey Baldwin, Sheffield, England is Mr Geoffrey Baldwin.

● **AMERICAN EXPRESS CO.** PANY has named Mr Paul Z. Feldman, director, corporate affairs and public relations, responsible for managing the corporate media relations department. Mr Feldman came to American Express in 1980 as director of public affairs and communications.

● **Mr Robert J. Manning** has been named general division manager of COMMONWEALTH EDISON CO. Mr Manning will be in charge of the departments of division operations, customer service, engineering and construction and will also be responsible for the division of Edison's electric transmission system, gas transportation and systems meter department.

NOW SERVING INVESTORS IN THE EUROBOND MARKET

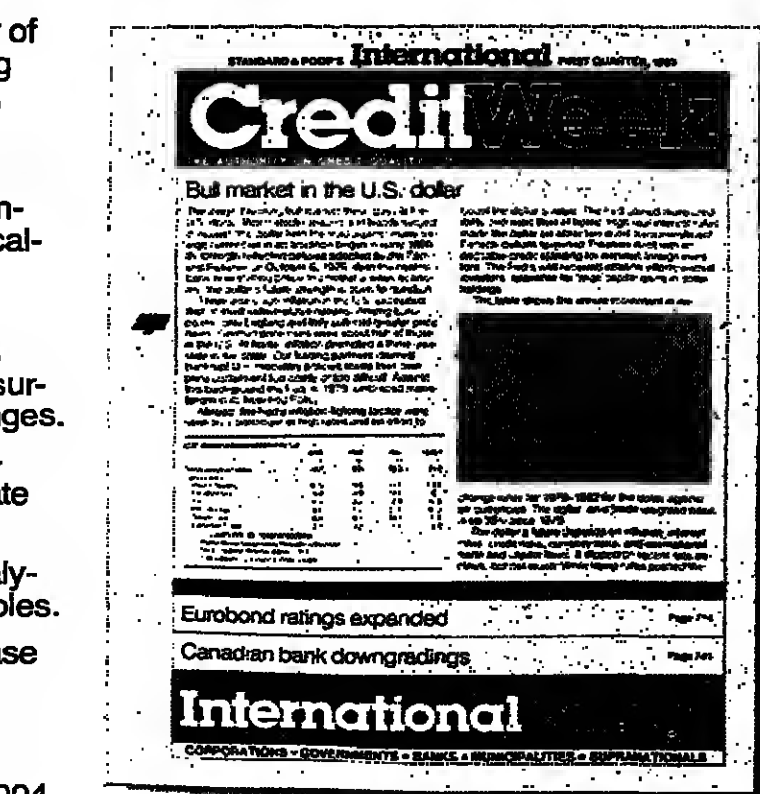
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Credit Agricola S. 52	00	399	100	10/0	3	9.36	
Credit Agricola S. 57	00	399	100	10/0	3	9.36	
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Credit Agricola S. 271	00	399	100	10/0	3	9.36	
Credit Agricola S. 272	00	399	100	10/0	3	9.36	
Credit Agricola S. 273	00	399	100</				

EUROBOND TURNOVER

	(nominal value in \$m)	
	Cedel	Euro clear
U.S. \$ bonds		
Last week.....	3,567.9	4,649.0
Previous week	3,660.6	4,780.0
Other bonds		
Last week.....	913.0	459.0
Previous week	938.6	294.0

STRAIGHT BONDS: The yield is the yield to redemption if the bond price, the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. The spread shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (3 three-month if 3 above mean rate) for U.S. dollars. C.pn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. **Call:** Date when bond can be changed on day. **Cnv. date:** First date for conversion into shares. **Cnv. price:** Nominal amount of shares into which bond can be converted. **Currency:** Currency of share at conversion. **Rate:** Rate fixed at issue. **Prem:** Percentage premium of the current market price of the shares over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past 12 months are given in the following table.

Bank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Societe Generale; Societe Generale Grinzarte; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Societe Generale Bank Luxembourg; Algemeen Bank Nederland NV; Persion, Hellding and Persion; Credit Suisse/Swiss Credit Bank; Societe Generale; Societe Generale; Acredy and Smithers; Bank of Tokyo International; Chase Manhattan; Citicorp International; Societe Generale International; Societe Generale (Securities) London; Daiwa Europe NV; Deltec Securities (UK); EBC; First National Bank; German Bank International Corporation; Hambros Bank; IBA International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Societe Generale International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Sealandwan Bank; Societe Generale; Societe Generale; Sunlomb Finance International; S. G. Warburg and Co.; Wood Gundy.
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Closing prices on January 1:

Companies and Markets **CURRENCIES, MONEY and CAPITAL MARKETS****FOREIGN EXCHANGES****Sterling continues to suffer**

Sterling came under fairly constant pressure last week, and confidence was not helped by publication of the UK official reserves for December indicating Bank of England foreign exchange intervention of about \$300m, compared with some \$500m in November. The issue of support was also clouded by the generally quiet level of trading in December, when Christmas and end of year book squaring factors sharply depressed market volume for several weeks.

The announcement by Saudi Arabia that it intends to maintain the \$34 a barrel oil market price did nothing to revive the pound's flagging fortunes.

Not much of the Middle East led to some suggestion that Britain's sour relations with that part of the world, following the League of Arab States' decision to support the Foreign Secretary's post-poned visit to the Gulf, was a possible extra factor behind sterling's weakness.

The general view was that doubts about the ability of Opec and the other major oil producers to maintain the existing price structure for oil, given the sharp differential between contract and spot market prices, is likely to push Britain's balance of payments into deficit some time this year.

Newspapers about an approaching General Election, despite the fact that this may be still over a year away, was also said to be behind sterling's decline, although by the end of last week the factors hardly seemed to matter to the market. It was just

a matter of chasing the currency down.

The pound's trade-weighted index of 82.8 on Friday, was the lowest since February 1979, with sterling at its worst level for over four years against the Swiss franc and Japanese yen, and a three-year low against the D-mark. On the other hand the pound lost only 70 points against the dollar last week, to finish at \$1.5105, as the U.S. currency also lost ground to the yen, D-mark, and the factors hardly seemed to matter to the market. It was just

EMS EUROPEAN CURRENCY UNIT RATES

Country	Unit	Jan 7	Jan 10	% change
Belgium	100	44.970	45.186	+0.48
France	100	6.559	6.559	0.00
Germany	100	3.363	3.363	0.00
Italy	100	9.363	9.363	0.00
Netherlands	100	2.363	2.363	0.00
Spain	100	166.667	166.667	0.00
UK	100	1.5105	1.5105	0.00
Yugoslavia	100	120.133	120.133	0.00

OTHER CURRENCIES

Country	Unit	Jan 7	Jan 10	% change
Argentina	100	79.518	79.518	0.00
Australia	100	1.5105	1.5105	0.00
Canada	100	1.5105	1.5105	0.00
Denmark	100	1.5105	1.5105	0.00
Finland	100	1.5105	1.5105	0.00
France	100	6.559	6.559	0.00
Germany	100	3.363	3.363	0.00
Italy	100	9.363	9.363	0.00
Netherlands	100	2.363	2.363	0.00
Spain	100	166.667	166.667	0.00
UK	100	1.5105	1.5105	0.00
Yugoslavia	100	120.133	120.133	0.00

THE POUND SPOT AND FORWARD

Day's spread	Close	One month	% change
Jan 7	1.5105	1.5105	0.00
Jan 10	1.5105	1.5105	0.00
Jan 13	1.5105	1.5105	0.00
Jan 16	1.5105	1.5105	0.00
Jan 19	1.5105	1.5105	0.00
Jan 22	1.5105	1.5105	0.00
Jan 25	1.5105	1.5105	0.00
Jan 28	1.5105	1.5105	0.00
Jan 31	1.5105	1.5105	0.00

EXCHANGE CROSS RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

MONEY MARKETS**No sign of panic**

BY COLIN MILLHAM

London's money market traders were taking a fairly relaxed view of sterling's weakness on the foreign exchange as last week drew to an end. Liquidity was steadily drained away by the refinancing of maturing bills held by the Bank of England with the unwinding of repurchase agreements taking \$200m out of the market on Wednesday.

Conditions are likely to remain tight throughout January as the market heads into the tax paying season, although this should be partly offset by large deposits on gilts and stocks. A number of stocks also mature in the first quarter, and expectations of this money being reinvested helped to keep the gilt market reasonably optimistic around the year end, although confidence has been steadily sapped of late by sterling's slide.

Hope of a cut in the Federal Reserve discount rate underpinned both the gilt and money markets, but the latter was the subject of much speculation, leading to careful examination of Friday's U.S. unemployment figures. These were much as expected, but the market had been nervous in case lower than anticipated figures led to a tightening of Fed monetary policy on indications of an economic upturn.

Although confidence is based on rather insecure foundations,

the London market showed no sign of panic last week despite the pound's sharp fall against Continental currencies and the yen.

This seemed to be based on the supposition that the Bundesbank, Bank of Japan, and other major central banks will follow

the U.S. Fed during the next few weeks in cutting their key interest rates.

London interbank rates moved up by only about 1/16 per cent in the first week of last week, and seven-day money was fairly steady around the 10 1/2 per cent level, despite some substantial

shortages of day-to-day credit. Although the market is convinced the Bank of England does not intend to allow another rise in base rates in the present circumstances, the next downward move, heralded by lower intervention rates, may well depend on outside factors.

LONDON MONEY RATES

Day's spread	Close	One month	% change
Jan 7	1.5105	1.5105	0.00
Jan 10	1.5105	1.5105	0.00
Jan 13	1.5105	1.5105	0.00
Jan 16	1.5105	1.5105	0.00
Jan 19	1.5105	1.5105	0.00
Jan 22	1.5105	1.5105	0.00
Jan 25	1.5105	1.5105	0.00
Jan 28	1.5105	1.5105	0.00
Jan 31	1.5105	1.5105	0.00

INTEREST RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

FT LONDON INTERBANK FIXING

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

LONDON

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

CHICAGO

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

FORWARD RATES AGAINST STERLING

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

BANK OF ENGLAND TREASURY BILL TENDER

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

CURRENCY MOVEMENTS

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

CURRENCY RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

WEEKLY CHANGE IN WORLD INTEREST RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

WEEKLY CHANGE IN WORLD INTEREST RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

WEEKLY CHANGE IN WORLD INTEREST RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

WEEKLY CHANGE IN WORLD INTEREST RATES

Country	Unit	Jan 7	Jan 10	% change
US Dollar	100	1.5105	1.5105	0.00
Swiss Franc	100	1.5105	1.5105	0.00
Japanese Yen	100	1.5105	1.5105	0.00
French Franc	100	6.559	6.559	0.00
German Mark	100	3.363	3.363	0.00
Italian Lira	100	9.363	9.363	0.00
Dutch Guilder	100	2.363	2.363	0.00
Spanish Peseta	100	166.667	166.667	0.00
Portuguese Escudo	100	200.482	200.482	0.00
Belgian Franc	100	1.5105	1.5105	0.00

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INDUSTRIALS—Continued

[illegible]**LEISURE—Continued**[illegible]**PROPERTY—Continued**[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]


OIL AND GAS Continued

OIL AND GAS—Continued									
	Breakdown	Stock	Price	Unit	Vol	Int	Cov	Y	
	Point					Rate			
8.26		Canada Pet. 21	118						
8.33		Canadian Occ.	139						
8.35		Century Ref.	120						
8.36		Chesapeake P.	130						
8.37		Chesapeake P.	130						
8.38		Chesapeake P.	130						
8.39		Chesapeake P.	130						
8.40		Chesapeake P.	130						
8.41		Chesapeake P.	130						
8.42		Chesapeake P.	130						
8.43		Chesapeake P.	130						
8.44		Chesapeake P.	130						
8.45		Chesapeake P.	130						
8.46		Chesapeake P.	130						
8.47		Chesapeake P.	130						
8.48		Chesapeake P.	130						
8.49		Chesapeake P.	130						
8.50		Chesapeake P.	130						
8.51		Chesapeake P.	130						
8.52		Chesapeake P.	130						
8.53		Chesapeake P.	130						
8.54		Chesapeake P.	130						
8.55		Chesapeake P.	130						
8.56		Chesapeake P.	130						
8.57		Chesapeake P.	130						
8.58		Chesapeake P.	130						
8.59		Chesapeake P.	130						
8.60		Chesapeake P.	130						
8.61		Chesapeake P.	130						
8.62		Chesapeake P.	130						
8.63		Chesapeake P.	130						
8.64		Chesapeake P.	130						
8.65		Chesapeake P.	130						
8.66		Chesapeake P.	130						
8.67		Chesapeake P.	130						
8.68		Chesapeake P.	130						
8.69		Chesapeake P.	130						
8.70		Chesapeake P.	130						
8.71		Chesapeake P.	130						
8.72		Chesapeake P.	130						
8.73		Chesapeake P.	130						
8.74		Chesapeake P.	130						
8.75		Chesapeake P.	130						
8.76		Chesapeake P.	130						
8.77		Chesapeake P.	130						
8.78		Chesapeake P.	130						
8.79		Chesapeake P.	130						
8.80		Chesapeake P.	130						
8.81		Chesapeake P.	130						
8.82		Chesapeake P.	130						
8.83		Chesapeake P.	130						
8.84		Chesapeake P.	130						
8.85		Chesapeake P.	130						
8.86		Chesapeake P.	130						
8.87		Chesapeake P.	130						
8.88		Chesapeake P.	130						
8.89		Chesapeake P.	130						
8.90		Chesapeake P.	130						
8.91		Chesapeake P.	130						
8.92		Chesapeake P.	130						
8.93		Chesapeake P.	130						
8.94		Chesapeake P.	130						
8.95		Chesapeake P.	130						
8.96		Chesapeake P.	130						
8.97		Chesapeake P.	130						
8.98		Chesapeake P.	130						
8.99		Chesapeake P.	130						
9.00		Chesapeake P.	130						

OVERSEAS TRADERS									
	Breakdown	Stock	Price	Unit	Vol	Int	Cov	Y	
	Point					Rate			
5.8		Amalgamated	100						
5.9		Amalgamated	100						
6.0		Amalgamated	100						
6.1		Amalgamated	100						
6.2		Amalgamated	100						
6.3		Amalgamated	100						
6.4		Amalgamated	100						
6.5		Amalgamated	100						
6.6		Amalgamated	100						
6.7		Amalgamated	100						
6.8		Amalgamated	100						
6.9		Amalgamated	100						
7.0		Amalgamated	100						
7.1		Amalgamated	100						
7.2		Amalgamated	100						
7.3		Amalgamated	100						
7.4		Amalgamated	100						
7.5		Amalgamated	100						
7.6		Amalgamated	100						
7.7		Amalgamated	100						
7.8		Amalgamated	100						
7.9		Amalgamated	100						
8.0		Amalgamated	100						
8.1		Amalgamated	100						
8.2		Amalgamated	100						
8.3		Amalgamated	100						
8.4		Amalgamated	100						
8.5		Amalgamated	100						
8.6		Amalgamated	100						
8.7		Amalgamated	100						
8.8		Amalgamated	100						
8.9		Amalgamated	100						
9.0		Amalgamated	100						

PLANTATIONS									
Rubbers, Palm Oil									
	Breakdown	Stock	Price	Unit	Vol	Int	Cov	Y	
	Point					Rate			
4.4		Amalgamated	100						
4.5		Amalgamated	100						
4.6		Amalgamated	100						
4.7		Amalgamated	100						
4.8		Amalgamated	100						
4.9		Amalgamated	100						
5.0		Amalgamated	100						
5.1		Amalgamated	100						
5.2		Amalgamated	100						
5.3		Amalgamated	100						
5.4		Amalgamated	100						
5.5		Amalgamated	100						
5.6		Amalgamated	100						
5.7		Amalgamated	100						
5.8		Amalgamated	100						
5.9		Amalgamated	100						
6.0		Amalgamated	100						
6.1		Amalgamated	100						
6.2		Amalgamated	100						
6.3		Amalgamated	100						
6.4		Amalgamated	100						
6.5		Amalgamated	100						
6.6		Amalgamated	100						
6.7		Amalgamated	100						
6.8		Amalgamated	100						
6.9		Amalgamated	100						
7.0		Amalgamated	100						
7.1		Amalgamated	100						
7.2		Amalgamated	100						
7.3		Amalgamated	100						
7.4		Amalgamated	100						
7.5		Amalgamated	100						
7.6		Amalgamated	100						
7.7		Amalgamated	100						
7.8		Amalgamated	100						
7.9		Amalgamated	100						
8.0		Amalgamated	100						
8.1		Amalgamated	100						
8.2		Amalgamated	100						
8.3		Amalgamated	100						
8.4		Amalgamated	100						
8.5		Amalgamated	100						
8.6		Amalgamated	100						
8.7		Amalgamated	100						
8.8		Amalgamated	100						
8.9		Amalgamated	100						
9.0		Amalgamated	100						

Teas									
	Breakdown	Stock	Price	Unit	Vol	Int	Cov	Y	
	Point					Rate			
2.5		Amalgamated	100						
2.6		Amalgamated	100						
2.7		Amalgamated	100						
2.8		Amalgamated	100						
2.9		Amalgamated	100						
3.0		Amalgamated	100						
3.1		Amalgamated	100						
3.2		Amalgamated	100						
3.3		Amalgamated	100						
3.4		Amalgamated	100						
3.5		Amalgamated	100						
3.6		Amalgamated	100						
3.7		Amalgamated	100						
3.8		Amalgamated	100						
3.9		Amalgamated	100						
4.0		Amalgamated	100						
4.1		Amalgamated	100						
4.2		Amalgamated	100						
4.3		Amalgamated	100						
4.4		Amalgamated	100						
4.5		Amalgamated	100						
4.6		Amalgamated	100						
4.7		Amalgamated	100						
4.8		Amalgamated	100						
4.9		Amalgamated	100						
5.0		Amalgamated	100						
5.1		Amalgamated	100						
5.2		Amalgamated	100						
5.3		Amalgamated	100						
5.4		Amalgamated	100						
5.5		Amalgamated	100						
5.6		Amalgamated	100						
5.7		Amalgamated	100						
5.8		Amalgamated	100						
5.9		Amalgamated	100						
6.0		Amalgamated	100						
6.1		Amalgamated	100						
6.2		Amalgamated	100						
6.3		Amalgamated	100						
6.4		Amalgamated	100						
6.5		Amalgamated	100						
6.6		Amalgamated	100						
6.7		Amalgamated	100						
6.8		Amalgamated	100						
6.9		Amalgamated	100						
7.0		Amalgamated	100						
7.1		Amalgamated	100						
7.2		Amalgamated	100						
7.3		Amalgamated	100						
7.4		Amalgamated	100						
7.5		Amalgamated	100						
7.6		Amalgamated	100						
7.7		Amalgamated	100						
7.8		Amalgamated	100						
7.9		Amalgamated	100						
8.0		Amalgamated	100						
8.1		Amalgamated	100						
8.2		Amalgamated	100						
8.3		Amalgamated	100						



**WOLSELEY
-HUGHES**

From Falkirk to Florida
we're growing
from strength to strength

Plumbing and Heating suppliers in the U.K. and U.S.
Farm and Garden Machinery Engineering. Plastics

MINES—Continued

Central African						
Months	Period	Stock	Price	Last est.	Net Bal.	Gr.
Nov.	May	Falcon Rk 50c.	21	19	025	1.0
Nov.	May	Warwick Ck 251 Zam.Cr 3600 24	20 18	18 19	035	1.2
Australians						
		ACHA 20c.	38	39		
		Argyle Gold M. 15c	11	11		
		Bond Corp.	12	10	60c	2.3
Nov.	May	Chal. Rk 50c.	128	79	010	1.0
May	Nov.	IRA 50c.	238	153	005	
		Central Pacific	32	32		
		Crusader Oil.	11	12		
		Cul. Pacific Rk 50c.	32	32		
		Engle Corp. 10c.	32	32		
Age	Sept.	Everett	610	209	000c	
Sept.	Oct.	H.M. Kariwara 50c.	18	17	05	1.0
		Huamg N.W. 10c.	32	32		
		Indi Mining	359			
		Kadamba Min. 20c.	11	11		
		Keweenaw	119			
		Kitcher Rk 25c.	140			
		Kiwitang 25c.	140			
		Leahua Cu. 10c.	32	34		
		Melville Min. 25c.	11	11		
		Mid East Cons. 351	253	22	05c	
Oct.	Apr.	M.H. 10c.	11	11		
		Min. 25c.	253			
		North B. Hill 50c.	15	16	00c	1.3
		North Kaibara	49			
Nov.	May	North Kaibara	30	30	07c	1.7
		Orinoco 10c.	11	11		
		Palmer Rk 50c.	34			
Apr.	Oct.	Pacific 25c.	96	15	01c	
		Pacific Western 50c.	39			
		Piedmont Rk 50c.	11			
		Renshaw 50c.	183		05c	
		De la	115			
		Settling A.	115			
		Shaw 50c.	24			
		Swan River 25c.	22			
		West Coast 50c.	24			
		Witkop 50c.	20			
		Witkop Mining 50c.	238	410	02 5c	
		Witkop Creek 25c.	18			
		York Resources	238			
Tins						
Nov.	Apr.	Haye Htam 5M1.	175	1511	095c	1.01
		Geover	30	30		
		Gold State 50c.	290	110	210	1.2
July	Jan.	Copercu Corp.	290	110	210	1.2
Aug.	Sept.	Gold State 50c.	15	16	25	1.0
September	June	July-Jan 12 50c.	15	16	25	1.2
		Kamuning 50c.	450	16	000	1.6
		Kadamba Min. 10c.	450	16	000	1.6
		July-Jan 12 50c.	450	16	000	1.6
		Panama 10c.	340	512	100	0.6
		Pretaria 30c.	340	512	100	0.6
June	Aug.	July-Jan 12 50c.	340	512	100	0.6
		Supreme Cons. 5M1	60	60	000	1.0
		July-Jan 12 50c.	60	60	000	1.0
Sept.	Oct.	Mar. Tongk H. Tin 5M1	190	40	000	2.3
		Tronah 5M1	190	40	000	2.3
Miscellaneous						
		Argyle-Downman	54	1212	0 55	1.0
May	May	Burns Mining 10c.	35	35		
		Cody Rk. Corp.	35	2212	000c	1.9
Aug.	July	Highwood Res.	35	35		
		11-Elphara Gold.	35	35		
		Highwood Res.	35	35		
		Highwood Res.	35	35		
		Northgate 50c.	1350	777	06c	1.4
		Northgate 50c.	1350	777	06c	1.4
Jan.	July	Argyle-Downman 50c.	1350	777	06c	1.4
Jan.	July	Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
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		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350	777	06c	1.4
		Sabina Ind. 25c.	1350			

PAPER, PRINTING

[illegible]

TOBACCO

[illegible]

TRUSTS, FINANCE, LAND

Trusts Paid	Stock	Pric	1st	2nd	3rd	4th	5th
Dec. Jan.	Javel Abandon Trust	174	12.11	6.5	1.8	5.1	5.1
Jan. Feb.	Sept. Alliance Inc.	212	36.12	1.8	1.2	4.4	4.4
Feb. Mar.	Anglo Am. Sec.	115	12.27	2.97	1.1	1.1	1.1
Mar. Apr.	Anglo Am. Sec.	40	12.27	2.97	1.1	1.1	1.1
Apr. May	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
May Jun.	Anglo Am. Sec.	74	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jan. Feb.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Feb. Mar.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Mar. Apr.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Apr. May	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
May Jun.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jan. Feb.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Feb. Mar.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Mar. Apr.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
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May Jun.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
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Mar. Apr.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Apr. May	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
May Jun.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jan. Feb.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Feb. Mar.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Mar. Apr.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Apr. May	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
May Jun.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jan. Feb.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Feb. Mar.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Mar. Apr.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Apr. May	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
May Jun.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jun. Jul.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Jul. Aug.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Aug. Sep.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Sep. Oct.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Oct. Nov.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Nov. Dec.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8
Dec. Jan.	Anglo Am. Sec.	236	18.10	2.25	1.8	1.8	1.8

PROPERTY

Year	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total	Average
1941	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1942	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1943	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1944	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1945	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1946	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1947	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1948	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1949	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1950	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1951	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1952	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1953	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1954	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1955	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1956	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1957	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1958	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1959	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1960	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1961	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1962	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1963	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1964	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1965	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1966	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1967	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1968	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1969	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1970	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1971	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1972	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1973	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1974	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1975	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1976	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1977	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1978	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1979	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1980	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1981	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1982	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1983	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1984	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1985	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1986	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1987	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1988	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1989	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1990	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1991	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1992	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1993	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1994	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1995	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1996	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1997	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1998	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
1999	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2000	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2001	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2002	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2003	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2004	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2005	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2006	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2007	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2008	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2009	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2010	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2011	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2012	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2013	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2014	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2015	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2016	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2017	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2018	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2019	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2020	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2021	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2022	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2023	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2024	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2025	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2026	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2027	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2028	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2029	148	151	155	151	151	151	151	151	151	151	151	151	151	1,806	150.5
2030	148	151	155	151	151	151	151	151	151	151					

INSURANCES

[illegible]

IRE

May	June	NEPP	1778	1779	1780	1781	1782	1783	1784	1785	1786	1787	1788	1789	1790	1791	1792	1793	1794	1795	1796	1797	1798	1799	1800	1801	1802	1803	1804	1805	1806	1807	1808	1809	1810	1811	1812	1813	1814	1815	1816	1817	1818	1819	1820	1821	1822	1823	1824	1825	1826	1827	1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878	1879	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2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REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter noted in Irish currency.			
			IRISH
16	Albany Inc. 20p	40	Ench 15pc 1983
5	Bertram	17-8	Nat. Gas. 1983
11	Bdyw. Est. 50p	65	Fin. 13p 97/02
1	Cris. & Rose 10p	15p2	Alliance Gas
14	Ench 15pc 1983	120	Ench 15pc 1983
	Gas Ship (L)	270	Carroll P.J. 1
	Hopson Bros	4-6	Concrete Prods.
	Irish Land 20p	11	Ench 15pc 1983
	I.M. Sem. L.	11	Irish Roads
	Peacock Inc. L	11	Irish Roads
	Pearl Hotel	3	Irish Roads
	Smoot (Wm)	280	T.M.G.
			Udgare

OPTIONS

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